AFRICA RECOVERY

United Nations Vol. 9 No. 2 August 1995

FOCUS ON UN's NEW AGENDA FOR AFRICAN DEVELOPMENT

Africa remains most urgent priority, says the UN

By **Nii K. Bentsi-Enchill**
Geneva

Africa is "our most urgent priority in terms of its need for the solidarity of the international community," UN Secretary-General Boutros Boutros-Ghali said in Geneva on 4 July. But "nothing will be possible unless African men and women take their fate into their own hands" and become the "driving force behind development efforts."

Such efforts should focus on securing better trade opportunities, higher aid and investment flows, and obtaining deeper relief for Africa's unmanageable debt burden, Mr. Boutros-Ghali told the 4-6 July High-level Segment of the UN Economic and Social Council (ECOSOC) in Geneva. The meeting was devoted to African development issues and was part of the follow-up to the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) adopted unanimously by the General Assembly in 1991.

UN Secretary-General Boutros Boutros-Ghali (second from right) talks with Ambassador Ahmad Kamal of Pakistan, President of ECOSOC, at the opening of the High-level Segment on Africa. To Mr. Boutros-Ghali's right are Under-Secretary-General Ismat Kittani (back row), Under-Secretary-General Nitin Desai and UNDP Administrator James Speth.

Most speakers emphasized that Africa bears the primary responsibility for its own development. But as the ministers, ambassadors and top UN officials noted, echoing Mr. Boutros-Ghali's June report on African development (see page 6), the progress made by some countries will only be repeated in others if the international community fulfils its commitment to tangibly support African efforts.

Originally planned as a debate, the High-level meeting consisted of scores of speeches delivered in a gradually emptying conference hall, to the disappointment of some delegates. But impassioned words from Mr. Boutros-Ghali, and substantial new information and trenchant analysis from some speakers, drew a clear picture of Africa's gains, reversals and the challenges it faces in the current international climate.

More than just solidarity, Africa needs "concrete and innovative actions" to support its progress in the "difficult dual tasks of political and economic reform," said ECOSOC President Ahmad Kamal of Pakistan, presenting the meeting's conclusions. The inter-

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OAU approves peace-keeping units

Summit also adopts action agenda for African development

By **Mark Thomas**
Addis Ababa

African leaders showed their commitment to resolving the continent's crippling conflicts by authorizing the establishment of specially trained peace-keeping units in African armies at the Organization of African Unity's (OAU) 31st Summit.

The summit opened in the rain-drenched Ethiopian capital under the shadow of the attempted assassination of Egyptian President Hosni Mubarak, and the attack perhaps served to focus the assembled African heads of state and government on the difficult business at hand. While only 24 presidents attended — compared to a record 41 at the 1994 summit in Tunis, where South Africa was welcomed into the OAU — the 26-28 June summit did manage to address a number of critical issues.

In addition to tackling conflict, the summit adopted the Cairo Agenda for Action, which urges a "new vision" of economic and social development for Africa, as well as a series of resolutions aimed at bolstering the continent's faltering economy. These included calls for debt reduction beyond that currently offered by the Paris Club of official bilateral creditors, strengthening of regional economic groupings to help speed the integration of the African Economic Community, and

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UN Photo

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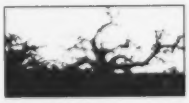

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Africa scores some strong social gains

The Progress of Nations *report says achievements limited by poverty, conflict, economic woes*

Some African countries have made strong advances in the key areas of child survival, health, nutrition and education, but poverty, conflict and deteriorating economic and physical environments continue to limit achievements across much of the continent. The performance of Africa and the world's other regions is detailed in *The Progress of Nations 1995*, the United Nations Children's Fund's (UNICEF) report that rates nations not by their military or economic strength but rather by the well-being of their people.

At the June launch of the third annual edition of the report in Berlin, UNICEF's new Executive Director, Ms. Carol Bellamy, said *The Progress of Nations 1995* "gives child advocates and the general public the data they need to hold their leaders and governments accountable for the commitments they made at the World Summit for Children."

The report measures each country's progress on the goals agreed to at the 1990 summit. It shows the "performance gaps" — the difference between a country's actual level of progress and the expected level for its per capita gross national product (GNP) — for under-five mortality, percentage of children reaching grade five and percentage of under-five children who are underweight. Only two sub-Saharan African countries, Kenya and Zimbabwe, achieved better than expected levels in all three categories.

Included for the first time in the report is a separate section on aid, which noted that even the most generous donor countries have made dramatic cuts in the level of their official development assistance (ODA). ODA from major donors dropped 8 per cent between 1992 and 1993, falling from $61 bn to $56 bn. On average, donor countries gave only 0.3 per cent of GNP in 1993, well below the United Nations target of 0.7 per cent for development assistance. The United States, which gave $9.7 bn in total aid in 1993, was the world's second biggest donor after Japan. But it was at the bottom of the list when ODA as a percentage of GNP is taken into account (see chart).

In the report's commentary on development cooperation, Norwegian Prime Minister Gro Harlem Brundtland said that "the international redistributive system is in shameful condition" and emphasized that "the cost of poverty, in human suffering, in the wasteful use of human resources, and in environmental degradation, has been grossly neglected." Ms. Brundtland called for an "equitable sharing of global bills for peace, environment and development," and termed the target of 0.7 per cent of GNP for development aid purposes "a minimal taxation of the fortunate few for the benefit of the powerless poor."

Even the most generous donor countries have made dramatic cuts in the level of their official development assistance.

The report noted substantial gains worldwide and in some African countries in the ongoing effort to eradicate polio and reduce child mortality by controlling the spread of measles and pneumonia. But in many sub-Saharan countries immunization and health service coverage is in decline as a result of either conflict and civil strife or severe debt and adjustment problems, the report said.

The spread of polio, for example, appears to have ended in 15 African countries, and eradication could be achieved in a relatively short time in 11 others, according to the report. In most other African countries, however, there is still significant polio transmission, and in several countries it will be particularly difficult to eradicate due to conflict, the report said.

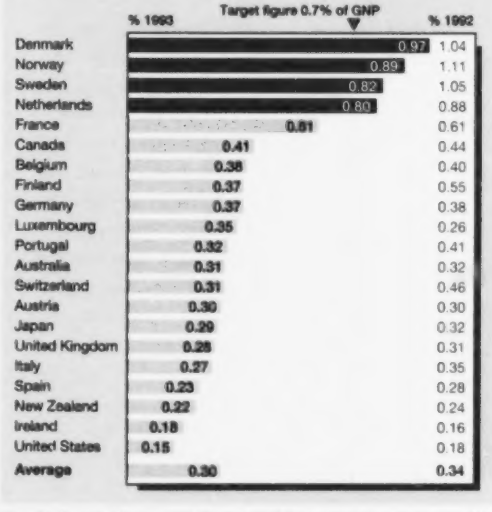
Guinea, one of the world's poorest countries, managed to increase its measles immunization coverage from 18 per cent to 57 per cent between 1990 and 1993, but in 12 other sub-Saharan countries the coverage fell by at least 11 per cent over the same period. About half of the countries in sub-Saharan Africa have not yet set up programmes to control acute respiratory infections such as pneumonia, which, along with diarrhoea, is one of the biggest killers of children.

Education in sub-Saharan Africa continues to suffer from an extremely high drop-out rate. Overall, only 47 per cent of the children in the region starting primary school make it to grade five, according to the report. Nevertheless, Kenya, Rwanda (before the civil strife of 1994) and Togo topped the list of the 21 African countries where the percentage of children reaching the fifth grade was above the level that could be expected for their GNP.

Although fertility rates (births per women) declined dramatically in most of the world's developing regions between 1963 and 1993, sub-Saharan Africa experienced only a 0.4 per cent fall. With an average of 6.3 births per woman, the region has the highest fertility rate in the world.

The report also rated the world's nations according to the proportion of women in their parliaments, and in this category sub-Saharan Africa performed relatively well. South Africa, with 25 per cent of its parliament made up of women, ranked the highest among developing countries. Another 12 sub-Saharan countries had proportions of 10 per cent or more elected women in their parliaments. In addition, sub-Saharan Africa increased the overall per cent of women in cabinet positions from 3 per cent in 1987 to 5 per cent in 1994, better than both the Asia and Pacific region (3 per cent in 1994) and Eastern Europe (3 per cent). ■

ODA as % of donor nations' GNP: 1993



From The Progress of Nations 1995. Source: OECD, Development Cooperation 1994, 1995.

OAU Summit

from page 1

increased financing for commodity diversification and trade liberalization programmes. Real progress also was made in settling the long-standing problem of countries failing to pay their membership dues (see box, this page).

OAU Secretary-General Salim A. Salim, who pushed hard for the establishment of the peace-keeping contingents, said the summit had clearly shown that "Africa has to take hold of its own destiny" and that African leaders "recognize this and are willing to do something about it."

Setting the summit's overall tone was Ethiopian President Meles Zenawi, the current OAU chairman, who noted in the summit's opening address that African conflicts and their drain on already scarce resources are both a cause and effect of the continent's continuing economic malaise.

"...It would be virtually impossible for Africa to get rid of the scourges of conflict unless its economic situation is changed for the better," President Meles said. "On the other hand, the prevailing instability in many parts of Africa and the ongoing conflicts themselves have become major obstacles to the economic rehabilitation of the continent."

President Meles said conflict continues to adversely affect Africa's image, compounding the difficulty of attracting the foreign direct investment and internal and external partnerships needed to secure the continent's economic revival. The chilling influence of conflict, combined with debt overhang and debt service obligations that "continue to be the major obstacle to our economic development," keep African countries "in a veritable vicious circle," he said.

OAU Secretary-General Salim A. Salim and Ethiopian President Meles Zenawi, the organization's current Chairman, at the opening of the 31st Summit in Addis Ababa

Except for the relatively brief opening and closing ceremonies, the leaders spent most of the three-day summit behind closed doors. With conflicts raging in Liberia, Sudan and Sierra Leone, and potentially explosive situations in Rwanda, Burundi and Somalia, a main topic of their discussions was the future course of the OAU Mechanism for Conflict Prevention, Management and Resolution established at the 1993 Cairo summit.

Originally conceived as a way to support the dispatch of relatively low-key preventive diplomacy missions to conflict zones, last year's slaughter in Rwanda prompted several African countries to urge a more active peace-keeping role for the OAU. By the time of the Addis Ababa summit there was strong backing for the mechanism to include standby military contingents that could be used by the United Nations, and in times of crisis by the OAU, for peace-keeping operations.

Although initially opposed by some countries that believe peace-keeping and its costs should remain solely under the auspices of the United Nations, Secretary-General Salim said at a post-summit press conference there was consensus among the leaders "that Africa needs to build its own capacity, including the capacity for peace-keeping."

Mr. Salim pointed out that the OAU had not decided to establish "an African standing force or African intervention force," and that any OAU-backed mission would not go beyond limited peace-keeping operations. "I want to clearly make the distinction between peace observation, peace-keeping and peace enforcement. Our concentration for the time being will actually be on peace observation, without ruling out peace-keeping when necessary. The question of peace enforcement as such was not even discussed," the Secretary-General said.

Burundi, where the OAU currently has 67 military observers, could be the first destination of an OAU-led peace-keeping contingent. The Secretary-General said there was "a clear determination" at the summit that "everything that needs to be done can and will be done to avoid (in Burundi) a repetition of the catastrophe, genocide and massacres that took place in Rwanda."

The summit tackled Africa's economic troubles in several resolutions, including one adopting The Cairo Agenda for Action, which was drawn up during a special session of the OAU Council of Ministers in the Egyptian capital last March. The Cairo Agenda outlines what actions Africa's governments and people, with support from the international community, need to take in

Member states heed call on dues

Facing the prospect of stiff sanctions for defaulting on their contributions to the Organization of African Unity (OAU), member countries poured over $20 mn in arrears into the organization's coffers in the weeks leading up to the Addis Ababa summit.

Financially strapped for years by a total of $64 mn in unpaid contributions, the OAU set a final 1 June deadline for defaulters to either pay or be stripped of the rights and privileges of membership. Under the sanctions, countries that failed to pay their dues would be "silenced" — forbidden to speak at OAU meetings — and unable to present candidates for posts or decision-making bodies within the organization.

The deadline was extended until the last day of the summit (29 June), and a resolution passed by the heads of state granted a six-month deferment on sanctions for Somalia, Liberia and countries that paid at least 25 per cent of their outstanding dues. In future, any countries failing to meet their contributions for two consecutive years will be subject to sanctions.

OAU officials said they expected several million dollars more in contributions by the end of August, and figured most countries would do their best to get current on payments in order to avoid sanctions.

While a few delegates muttered about the OAU "stooping to a sort of financial blackmail," OAU Secretary-General Salim A. Salim believed the threat of sanctions was not only reasonable but necessary. "For the first time ever I am optimistic about the financial state of the OAU," Mr. Salim said.

order to relaunch the continent's economic and social development.

The agenda is broken down into two sections — "what we can do for ourselves" and "what we require from our development partners" — that emphasize "Africa's development is first and foremost the responsibility of our governments and peoples." Areas covered by the agenda include good governance, peace and security, capacity building, food security, regional economic cooperation and integration, and the effective mobilization and efficient use of resources.

"The prevailing instability in many parts of Africa and the ongoing conflicts themselves have become major obstacles to the economic rehabilitation of the continent."

Africa's growing debt burden also was extensively discussed by both summit delegates and observers. At a press briefing held on the eve of the summit, Mr. Stephen Lewis, special adviser to the executive director of the United Nations Children's Fund (UNICEF), termed the continent's bilateral and multilateral debt "an unconscionable and indescribably damaging burden." He noted that some African countries have debt service burdens "that in many instances are more than 100 per cent of their GDP (gross domestic product)." Such a high level of debt service, Mr. Lewis said, "defies credulity."

In a resolution, the heads of state said they were "preoccupied by the continent's increasing debt burden, which totalled $313 bn in 1994 and accounts to date for 231.3 per cent of Africa's exports and 71.6 per cent of the GDP of the continent."

The leaders said that most of the initiatives already taken to reduce Africa's external debt have focused on bilateral debt, and that savings from bilateral debt reduction had been rapidly absorbed by multilateral and commercial debt servicing. They appealed to the Paris Club to allow an 80 per cent reduction in the total non-concessional debt of all African countries, including accumulated interest, as well as cancellation of concessional debts already rescheduled by the club.

In addition, they urged innovative measures for multilateral debt relief, including debt buyback through the sale of International Monetary Fund gold reserves and debt conversion for the financing of development programmes. Other decisions sought continued support for the strengthening of Africa's regional economic groupings — termed the "building blocks" of the envisioned African Economic Community — as well as for the UN Industrial Development Organization (UNIDO) and the UN Conference on Trade and Development (UNCTAD) and their "crucial role" in the development of the industrial and trade sectors of African countries.

The leaders also reminded donors, many of which are cutting or considering cutting aid to Africa, that under the UN New Agenda for the Development of Africa they committed themselves to increase concessional flows to the continent by 4 per cent annually from the $30 bn level that was estimated as a minimum requirement in 1992. They noted that ODA amounted to only $24.8 bn in 1992 and has continued to decline.

As the summit came to an end, it appeared that the continent's pleas for further resources, at least to some extent, had been heard. During the summit's closing ceremony it was announced that the European Commission had agreed to a replenishment of $17.8 bn for the Lomé Convention's aid fund for 70 African, Caribbean and Pacific states. Although the OAU's Council of Ministers had termed that amount as "the strict acceptable minimum" for the fund, the summit's delegates loudly applauded the news. ■

As OAU moves into peace-keeping, non-interference concept is no longer sacrosanct

With the Organization of African Unity (OAU) becoming increasingly active in conflict resolution, the concept of non-interference in the internal affairs of member states — once an inviolable provision of the organization's charter — is being re-examined.

At the OAU summit in Addis Ababa, African leaders agreed to set up specialized military units in individual African countries that can be called up by the United Nations — and if necessary by the OAU itself — for peace-keeping operations in the continent's hot spots.

Dr. Christopher Bakwesegha, head of the OAU's Division of Conflict Prevention, Management and Resolution, said that although the OAU charter "still has this principle of non-interference, in reality it is being ignored."

Dr. Bakwesegha, whose office supports the organization's observation missions and is helping to set up a Conflict Management Centre at the OAU's Addis Ababa headquarters, said it is OAU members that have chosen to disregard the non-interference provision. "Just a couple years back it would have been unthinkable for the OAU Secretary-General to send a team to observe elections in a member state," Dr. Bakwesegha said. "But now they want our help. They are inviting us to come and observe."

In announcing the move into peace-keeping at the summit, OAU Secretary-General Salim A. Salim noted that it was an entirely new field for the organization and that it would look to the UN for leadership. But he underlined that in cases where "the UN passes the buck ... Burundi being a case in point," the OAU has to have the capacity to go it alone.

African countries have been voluntarily contributing to the OAU's Peace Fund to help finance its ongoing conflict prevention activities. The fund currently has $3.5 mn, with the OAU allocating $1 mn — approximately five per cent of its annual budget — to the fund per year. Another $5.2 mn has been donated to the OAU for conflict resolution from sources outside Africa. A significant amount of further funding, especially to finance costly peace-keeping activities, will be needed. Mr. Salim called on African countries "to be at the forefront" of making the necessary contributions.

Mr. Sam Bassey Ibok, a senior political officer in the Conflict Management Division, said the OAU's Conflict Management Centre would include an Early Warning System with links to international organizations, NGOs and other groups monitoring conflicts, and that incipient conflicts would be monitored on a 24-hour basis. The centre is currently under construction and should be fully operational by the end of the year, Mr. Ibok said.

"Some of our members are a bit apprehensive about this because they see it as a surveillance sort of thing," Mr. Ibok said. "But what we will be doing is tapping into information already out in the public domain so that we can analyze it, form our own perspective, and provide policy advice to the Secretary-General so that special envoys and observer missions can be dispatched to conflict areas before they explode."

Action proposed on trade, aid and debt

Secretary-General's new report spotlights efforts needed for Africa's economic development

To support Africa's drive for economic and social development, United Nations Secretary-General Boutros Boutros-Ghali has made a series of proposals to spur stronger international action. He calls for higher aid flows, compensation for expected trade losses and deeper and more flexible debt relief for the continent. Africa's positive achievements of recent years also need to be highlighted in order to attract higher inflows of investment, the Secretary-General said.

Mr. Boutros-Ghali's proposals were made in a report prepared for the 4-6 July High-level Segment of the UN Economic and Social Council (ECOSOC) in Geneva which examined African development issues. The meeting was part of the follow-up to the UN New Agenda for the Development of Africa in the 1990s (UN-NADAF), adopted unanimously by the General Assembly in 1991.

At the Geneva meeting, ministers and ambassadors of donor and African governments and senior UN officials also discussed the implementation of UN-NADAF and held a policy dialogue on African development with heads of multilateral financial institutions on 6 July (see page 11).

Some progress made

Mr. Boutros-Ghali reported positive developments in Africa. These include the fact that eight countries have met or exceeded the UN-NADAF target of 6 per cent annual growth, while several others have achieved consistent positive growth through their commitment to political and economic reforms. Some countries, especially in North, East and Southern Africa, even "succeeded in reversing the trend of de-industrialization or in rehabilitating their industrial infrastructure."

Eight countries have met or exceeded the UN-NADAF target of 6 per cent annual economic growth.

However, he warned that any discussion of UN-NADAF must begin from the premise that it "has not yet been translated into performance," with just over a year to go until its mid-term review. The UN's own System-wide Plan of Action for African Economic Recovery and Development is also not yet fully operational, the report said.

This prompted the Secretary-General to set up a high-level steering committee which will present practical proposals to revitalize UN efforts for African development in the areas of water management, food security, human development and capacity building, and poverty reduction. The committee's proposals will be discussed in October by the Administrative Committee on Coordination (which is chaired by Mr. Boutros-Ghali and is the UN's highest internal decision-making body), and then incorporated into the Special Initiative on Africa being launched by the Secretary-General.

Obstacles to recovery

The continent's overall condition remains "unsatisfactory" and its often weak human, institutional and financial capacity to implement development programmes and projects is aggravated by major external obstacles to economic recovery, the report said.

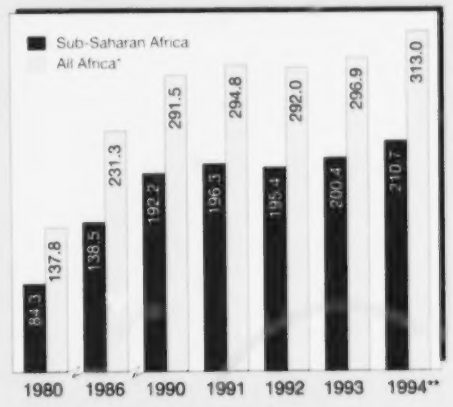
Prominent among these is the "crushing" burden of foreign debt which rose further by $16 bn in 1994, after having grown by only $5 bn in the previous three years. The debt now represents more than 230 per cent of export income (over 254 per cent for sub-Saharan Africa). Progress has been made on official bilateral debt through the new "Naples Terms," the report also said, but "even under the most optimistic scenarios," 24 African countries will still have unsustainable debt levels. The impact of Naples will remain "limited unless it is applied to a sizeable part of outstanding debt and debt stock and extended to a larger number of countries," according to the report.

The Secretary-General called for a ceiling higher than the current 67 per cent, relief for "all types of Paris Club non-concessional debt, more flexible eligibility criteria and new approaches to relieving non-Paris Club debt. He also urged the removal of all remaining concessional debt (through conversions, for example) and the expansion of buy-back mechanisms to reduce outstanding private short and long-term debt. The report also called for "innovative" methods of dealing with the growing problem of multilateral debt, including the sale of International Monetary Fund gold reserves.

Given the magnitude of Africa's needs, the decline in official development assistance (ODA) since 1990 must be reversed and its quality improved, Mr. Boutros-Ghali said. Most aid to Africa is acknowledged as being "still directed to donor-driven programmes, implemented in a fragmented manner without a focus on common, agreed targets" and takes little account of local priorities, according to the report.

Africa's external debt

($mn)



* Except Libya and South Africa. ** Projected.

Source: World Bank, World Debt Tables, 1993-94 and 1994-95.

Investment and trade

Pointing to the low inflows of foreign direct investment (FDI), the report argued that positive developments in African countries "need to be projected" to overcome investors' negative perceptions about stability and growth prospects. Net FDI rose from $1.7 bn in 1993 to $2.2 bn in 1994, but Africa's share of total FDI to developing countries fell from 10 per cent in 1987-91 to 5 per cent in 1992-94. The report stressed Africa's very profitable investment opportunities, citing an inter-regional study of FDI profitability for foreign affiliates of US companies which showed that net income as a proportion of owner's equity was 24 per cent in Africa compared to an 11 per

cent average for all developed countries.

"Foreign investors should not treat Africa as a whole as an inhospitable location for FDI and ignore potential opportunities," the report says, noting the continuing political and economic reforms taking place in some 37 countries. The proposals include further liberalization of FDI legislation, foreign aid to help develop local capacity for investment promotion and measures to reduce investors' perceived risk.

By assuming that Africa is an inhospitable location for FDI, foreign investors are missing out on potential opportunities.

With "fragile production structures" and unstable commodity markets allowing little progress in exports ($89.6 bn in 1994), higher import costs sharply worsened the current account deficit from $7.8 bn in 1993 to $10.5 bn. The report urged international help for African countries to increase their competitiveness in the new international trade environment established by the Uruguay Round.

This agreement is expected to hit African countries, particularly the least developed, with lower export earnings and higher import prices due to the liberalization measures. Some erosion of trade preferences is also evident, particularly for African exports of cocoa and coffee to Europe. Mr. Boutros-Ghali said complete removal of these preferences should be deferred while special aid is provided to help finance preparatory phases of commodity diversification projects.

Preventive development

The proliferation of conflict in Africa is directing attention and scarce resources from development activities and has prompted a new focus on crisis prevention and management, the Secretary-General says. He observed that the US spent $1.6 bn in Somalia in 1992-94, roughly two years' worth of its total development aid to Africa, while the UN has spent over $5 bn on peace-keeping activities in Africa since 1991.

Food security is an "essential pivot for crisis management and prevention," the report said. But 32 countries have low or critically low household food security indices and the prospects for improvement are bleak. With per capita food production in decline since the 1970s, some 180 million Africans today suffer chronic hunger and undernutrition and this number may reach 300 million (32 per cent of the population) in 2010.

A significant part of development activity aims to strengthen national, regional and international capacities to prevent, manage and lessen the impact of conflict, disasters and crises. The report specifically urged donors to provide resources for the International Convention on Desertification, "especially for training, technology and anti-desertification programmes."

It also urged support for the Peace Fund set up in late 1993 by the Organization of African Unity in its already established Mechanism for Conflict Prevention, Management and Resolution. This African effort "can have a direct positive impact on development" at both the sub-regional and national levels. There is also an urgent need for sub-regional and regional responses as part of an international early-warning system that would greatly improve on the current pattern of reacting to crises after the fact and at great cost to Africa and the international community.

Outlining a strategy for "strengthening the capacity of African countries to manage their development process," Mr. Boutros-Ghali called for donors to address the critical need for "investing for the future in the development of skills and infrastructure."

But capacity building is "not just providing people with the skills and know-how; it also means providing the environment in which people can exercise their capacities." African governments, he suggested, should focus on institution-building and develop a "merit-based" civil service with improved training and conditions of service. They should also strengthen civil society by, among other things, facilitating the participation of NGOs in development and raising the awareness of youth of their rights and responsibilities.

South-South cooperation

The report also called for further and stronger action to promote South-South cooperation, with "advanced developing countries...including the newly industrialized countries" paying special attention to African needs. Both the United Nations and international financial institutions should in turn allocate more resources to these activities, "placing themselves as a third party in triangular arrangements," the report said.

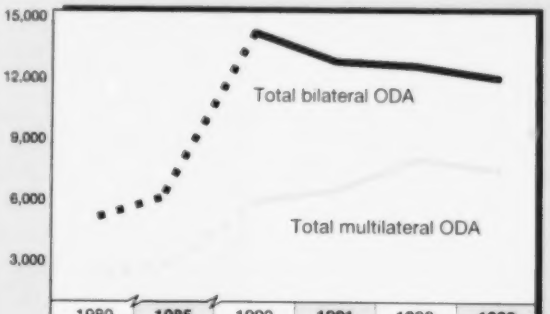
South-South cooperation has already benefitted African countries through transfer of technologies, training opportunities, expanded trade and investments, but "most are ill-prepared for this cooperation" and the private sector is not yet actively involved, according to the report. Some major donors, such as Japan, have called for greater emphasis, including the convening of a UN conference, on South-South cooperation.

But African countries need specific structures, not just focal points, to provide leadership and impetus for South-South activities, the report said. Citing the initiatives undertaken by the UN to help strengthen Africa's national, sub-regional and regional capacities, the report urged the private sector, non-governmental organizations and governments to initiate, build and sustain South-South cooperation.

With poverty eradication and human development among the commitments made at the World Summit for Social Development in March, Mr. Boutros-Ghali emphasized that only "concerted effort" along with "adequate" donor support will translate the commitments into action. He added that "capacity building, in its widest sense, will remain the basis of sustained growth" and development in Africa. ■

ODA to sub-Saharan Africa*

($mn)



	1980	1985	1990	1991	1992	1993
Total bilateral ODA	5,087.1	5,941.2	13,929.5	12,494.5	12,277.7	11,680.2
Total multilateral ODA	1,839.9	2,874.3	5,611.7	6,157.0	7,690.3	7,163.3

Source: OECD. *from 21 donor countries of the OECD

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national community has a "moral, economic and financial obligation" to help, he added.

But Africa risks "losing two decades waiting for donor generosity," warned Benin's Ambassador René Valéry Mongbé, pointing out that implementation of UN-NADAF was moving at a "snail's pace." One speaker called for "tangible commitments of resources rather than rhetoric." But others set Africa's falling output — down 1.5 per cent between 1990-94 — against the UN-NADAF target of 6 per cent annual growth and said the programme now seemed rather "ambitious."

A continent of contrasting images, Africa was seen as dynamic and determined; the perpetual object of development strategies designed elsewhere; and a place of disasters and ethnic wars, of unbelievable suffering and despair for the future. Often the victim of "incompetent and corrupt administration and incoherent economic policy choices," Africa continues to be "cruelly poor" yet potentially the richest continent. This is partly due to the "iniquity of the contemporary international economic system," with the continent remaining "largely as farms and quarries, economies with minimal processing and manufacturing activities."

Such remarks reflected the consensus on the need for economic diversification. But African efforts to secure a UN resolution calling for the creation of a diversification fund met with "somewhat scornful" rejection by major donor countries, one speaker recalled. Speaking for the European Union (EU), Spain's Secretary of State for International Cooperation, Mr. Jose Luis Dicenta, said diversification must be promoted within existing institutions such as the UN Common Fund for Commodities and the African Development Fund of the African Development Bank. Similarly reiterating major donor preferences, Japan's Ambassador Hisashi Owada said diversification must be based on private sector initiatives in a free market.

Policy debates

Development strategies came in for a very mixed appraisal. African nations are beginning to lay foundations for open societies and open markets, said US Deputy Assistant Secretary of State Regina Brown. She said the door to sustainable development should be kept open to "countries that continue to make the right choices." Japan said countries that do not embrace reform are likely to become further marginalized. Although structural adjustment programmes (SAPs) have been "costly in social terms," the European Union said SAPs are "essential" and should be expanded, provided they are accompanied by appropriate social policies.

But "African countries and people have paid heavy social costs" for international attempts to apply "certain models of economic development as a panacea," said China's Vice Foreign Minister Li Zhaoxing. Opposing "any conditions whatsoever" on foreign aid, he said African countries are entitled "to choose their own road to development" according to national conditions.

UN Secretary-General Boutros Boutros-Ghali greets Mr. François-Xavier Ngoubeyou, Cameroon's Ambassador, before a meeting with members of the Africa Group in Geneva

UNESCO's Director-General, Mr. Federico Mayor, said member states had all agreed at the organization's last general congress to help "protect key sectors such as education, training and health from the adverse repercussions of structural adjustment." But Africa's heavy investment in human and institutional development since independence has already been "arrested by structural adjustment," said Mr. D.M. Abubakar, Assistant Director-General of Nigeria's Ministry of Foreign Affairs, and the result is "increasing illiteracy and institutional decay."

UNICEF's Executive Director, Ms. Carol Bellamy, said shrinking investment in education and declining enrolment rates in half of Africa testified to this deterioration. Primary education — the sector's critical base — will be worst-hit in the long run, but already in 1995 some 445 million children, mostly girls, are not in school, representing 40 per cent of school-age Africans. Ms. Bellamy said UNICEF advocates the "creative and cost-effective approaches" used in Zimbabwe and Ghana to double or triple enrolment in 3-5 years.

Action needed on debt

Speakers agreed on the need to reduce Africa's bilateral and multilateral debt burden, especially for its least-developed countries (LDCs). There is a "continuing scandal of debt repayments that pauperize still further the poorest of the poor," said Mr. Mayor. Speaking for the developing countries' Group of 77 (G-77) and China, Mr. Felipe Mabilangan of the Philippines called for a comprehensive solution "not only for LDCs but also for African low- and

Africa's assets and recent successes

René Valéry Mongbé

Potentially the richest continent, Africa remains "cruelly poor," Benin's Ambassador René Valéry Mongbé told the ECOSOC High-level Segment. Africa accounts for 70 per cent of world cobalt production, and for 46 and 44 per cent of diamond and chrome production, he said. It also has 40 per cent of the world's hydro-electric potential and produces 32 per cent of the world's gold and manganese, 24 per cent of its phosphate and 10 per cent of its oil. Mr. Mongbé called for greater domestic efforts and genuine external help to transform these assets into improved welfare for Africa's people.

UNICEF Executive Director Carol Bellamy highlighted some of Africa's recent successes in the social sector, noting that guinea worm is nearing eradication, immunization coverage is widespread and the use of oral rehydration against diarrhoea has tripled since 1986. Africa is also moving towards eradicating iodine deficiency disorders (IDD) by 2000, she said, with laws in over half its countries requiring iodization of salt. The Organization of African Unity and the Economic Community of West African States also have accords on banning imports and exports of non-iodized salt.

The Bamako Initiative for community-run health care is taking root in over half the countries and all countries except Somalia have ratified the Convention on the Rights of the Child. Nearly all have drafted or issued National Programmes of Action to implement the goals of the 1990 World Summit for Children. "The question now is implementation," Ms. Bellamy observed.

lower-middle-income countries."

Both Britain and Sweden said they would press for broader application of the Naples Terms and for the Paris Club to consider debt reduction of up to 80 per cent for "exceptional cases." Debt servicing consumes "an average 30 per cent of African budgets," estimated Korea's Vice Foreign Minister, Mr. See-Young Lee. This resource outflow does not bring "a corresponding inflow of productive benefits," said Mr. Mabilangan. Restating the basics, Sweden's Under-Secretary of State for Foreign Affairs, Mr. Jan Eliasson, said that debt reduction aims to "underpin efforts to restore economic growth and thus facilitate poverty eradication and sustainable development."

After extensive talk about the debt burden of LDCs, "considerably less has been done about it," said Mr. Peter Brückner, the Under-Secretary for Multilateral Affairs of Denmark, a country that has cancelled almost all public debt owed to it by LDCs. Denmark's proposal that multilateral financial institutions should give grants instead of soft loans and also offer debt cancellation under certain conditions for the poorest countries is "of crucial importance to Africa," he declared.

Post-Uruguay Round trade concerns

Market share for African, Caribbean and Pacific exports into Europe has fallen 50 per cent since 1975 to just 4 per cent of total EU imports, said Mr. Dicenta, promising EU technical assistance for African trade development. But with such downtrends occurring even before the tougher trade climate introduced by the Uruguay Round agreements, many speakers voiced concern for Africa and its fragile LDCs.

South Africa's Minister for Reconstruction and Development, Mr. Jay Naidoo, observed that free trade is "clearly not a 'level playing field' for strong and weak, industrialized and commodity-exporting countries." He emphasized the "inadequacy of international responses to the destabilizing and damaging impact of 'market forces' on weak and vulnerable economies," and with several other speakers called for full implementation of the special Uruguay Round clauses for the weakest economies.

But Uruguay will "just as surely give [African countries] the chance to compete and an incentive to become more efficient producers," argued Ms. Brown, the US representative. "We need to move beyond the bumper-sticker boosterism of 'trade, not aid' to a more thoughtful examination" of how best to strengthen economic ties with Africa, she concluded.

Many speakers supported increased South-South cooperation, and Japan proposed that due to Africa's diversity there should be a "comprehensive approach to development applied in a differentiated manner." Among other suggestions, Mr. Owada said that "a reformed UNCTAD" could help governments and private sectors of the South to build networks of trade and investment.

But Africa does not need "speculative operations in money markets and in portfolio investments which contribute to the vulnerability of African economies," said South Africa's Mr. Naidoo. Instead he called for "stable, longer-term, productive foreign investment" which helps to improve, increase and integrate Africa's production in and between all sectors.

Falling aid, rising worries

The decision of many donors to reduce their aid "is both regrettable and worrying," said Mr. Brückner. And how can these "dramatic" cuts in aid be reconciled with the agreed development objectives set in UN-NADAF, the Desertification Convention, Agenda 21, the Cairo population conference and even the forthcoming women's conference in Beijing, asked Senegal's Foreign Minister, Mr. Moustapha Niasse.

Foreign aid has helped make tremendous changes in many parts of Africa, Mr. Eliasson said. However, "we must all humbly realize that foreign assistance is difficult — to give and to receive. The effects of foreign intervention — because assistance is a kind of intervention — are sometimes capricious and unexpected," he pointed out.

Sudan's Ambassador Ali Sahloul argued that instead of pursuing "narrow political objectives," aid for LDCs should be "free from political considerations and pressures." Extraneous and "burdensome conditionalities" should be removed as they have "often served only to obstruct implementation" of aid programmes, added Indonesia's Ambassador, Mr. Agus Tarmidzi.

Mr. Mayor also noted that expectations are bound to be dashed when aid arrives "in a form that amounts to little more than the dumping of surplus products. Enough of the confusion between development assistance and

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UN must help break Africa's vicious cycle — Boutros-Ghali

Africa's economic output in 1994 — the highest in six years — was "still much too slight" to compensate for structural weaknesses and more than 15 years of decline, Secretary-General Boutros Boutros-Ghali told the High-level Segment of the UN Economic and Social Council (ECOSOC) in Geneva.

He said that helping Africa to strengthen its regional structures is among the priorities for UN action. Welcoming the fact that the Abuja Treaty establishing the African Economic Community is now fully in force, he emphasized "how many economic, customs and administrative obstacles, how many infrastructural and communications shortcomings could be overcome by better inter-African cooperation."

Economic diversification is another issue on which the UN "absolutely must help African countries," he said, adding that "Africa's products have to be allowed access to foreign markets!" Demanding "full recognition" of the fact that Africa is the only world region that "may be hurt" by the Uruguay Round agreements, Mr. Boutros-Ghali asked for international help to "counterbalance this temporarily negative impact." He called for aid to diversify production, particularly in non-traditional sectors, in order to create new export capabilities.

The 1993 drop in official development assistance (ODA) was "particularly alarming" and Mr. Boutros-Ghali expressed "serious concern" over the falling US share of total ODA. He called for higher levels of aid but said that finding adequate financial resources depended on solving the problems of "unbearable debt" and "unmanageable arrears" being accumulated by many countries. Urging the creditor community to "decide at long last" to take decisive measures, Mr. Boutros-Ghali drew special attention to multilateral debt, citing World Bank estimates that only six of the 21 most indebted African countries could repay their multilateral obligations "even under the softest borrowing terms."

Turning to other development obstacles, Mr. Boutros-Ghali said "conflicts help to spawn poverty and poverty is itself an undeniable factor in conflict. This vicious cycle absolutely has to be broken." Far from being a handicap, Africa's population is an "inestimable resource and guarantor of its future," he said. But an honest social administration that attends to the needs of both male and female citizens "has yet to be created ... in many African countries," he said, urging the UN to help African countries to set up effective social institutions.

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business!" he declared.

Several speakers agreed with UNICEF's assertion that "we can do far more than we are currently doing to help Africans solve African problems." As Mr. Naidoo put it, aid must complement and add to the diversification of priorities determined by African countries themselves.

Among these priorities is capacity building. According to the G-77, "growth in national capacity fosters a psychologically important sense of confidence and self-reliance" among peoples. Namibia's Deputy Minister of Tr. and Industry, Mr. Wilfred Emvula, urged donors to "play their fair share in implementing the 20/20 concept so that together we plant the seeds for human resource development in Africa."

Welcoming Norway's support for a proposed international meeting on the 20/20 concept, Netherlands Ambassador Tiddo Hofstee said his country would contribute financially. Up to 30 per cent of Canadian aid will be allocated to 20/20 goals, added Deputy Foreign Minister Gordon Smith.

Food security, food emergencies

Given the critical importance of capacity building, the meeting was reminded that Africans currently number 728 million, and that at cu rent urban growth rates of 6 per cent a year more than half of Africa's population in 2025 will live in cities. This will "dramatically constrain" food, education, shelter, jobs and health services, Ms. Nafis Sadik, the UN Population Fund's Executive Director warned. Already, roughly two-thirds of Africa's labour force is either unemployed or underemployed, said Mrs. Mary Chinery-Hesse, Deputy Director-General of the International Labour Organization.

These related concerns prompted the warning that unless current levels of investment in agriculture are increased, by 2020 the sub-Saharan food deficit will be 50-100 million tons, or 5-10 times the global total of food aid expected this year. It is "dangerously mistaken" to assume that long-term food aid or concessional sales could fill the gap, said Ms. Catherine Bertini, Executive Director of the World Food Programme (WFP), arguing that the impending food security problem must be factored into national budgets and investment priorities. These priorities, added UNICEF, must be "the African farmer — and her husband."

Ms. Bertini pointed out that public aid to sub-Saharan Africa fell from $20.2 bn to $18.4 bn in 1990-93, while bilateral grants for refugee relief operations (many in Africa) "skyrocketed from just under $400 mn in 1990 to nearly $2 bn in 1993." This, she argued, showed the false economy of cutting development food aid only to pay much higher rates for last-minute procurement and shipping of emergency food aid. Similarly, only 5 million Africans benefitted from WFP food-for-work programmes, such as environmental rehabilitation and building infrastructure, while 21 million, nearly all refugees and displaced, got emergency aid from WFP. Emergencies, she said, must not divert attention and resources from development.

Tackling environmental issues, Mrs. Elizabeth Dowdeswell, Executive Director of the UN Environment Programme (UNEP), said the decline in household water security is a particularly critical constraint on African development. Secretary-General G.O.P. Obasi of the World Meteorological Organization said that by the year 2000 there will be a severe shortage of water on the continent with per capita availability of fresh water 75 per cent less than in 1950.

UNEP argued that depressed commodity prices, unfavourable terms of trade and indebtedness are among the major causes of rising poverty, environmental degradation and unsustainable development throughout Africa. The focus for action, Mrs. Dowdeswell continued, must shift to "security through development," especially by providing food, shelter and jobs for the "desperately poor majority" of Africans. "We must continue to help Africa to correct the imbalances and the social and environmental costs of inappropriate development patterns," she concluded.

Security and good governance

Such imbalances can often lead to conflict and civil strife, and several speakers emphasized that conflicts divert resources from development, adding that "good governance" could play a critical role in preventing them. Some 36 African countries have held democratic elections since 1990, said UK Overseas Development Minister Lynda Chalker. She observed that self-reliance brings successes as well as challenges, and that the "juxtaposition of economic and political change causes particular tensions."

But there is no "inherently African security problem," said Mr. Eliasson, defining conflict as a "tragic, incomprehensible phenomenon of mankind." He called for the key notions of early warning and early action to be translated into actual deeds of conflict prevention and resolution. ■

Democratic regimes don't make war — Huslid

M. Martin Huslid, Norway's Ambassador to Brussels, is known to some as the "Father of UN-NADAF" for his critical role in chairing the arduous negotiations that produced the New Agenda in 1991. He reflected for several moments when *Africa Recovery* asked him to explain the differences between the Nordic countries and other donors in their approach to development cooperation.

Mr. Huslid said the Netherlands ranks with the Nordics as top providers of aid in terms of gross national product. This group of countries is very egalitarian, with well-developed social welfare systems. Christian solidarity movements are also "strong in our people," and not least among NGOs "which have a stronger position in our societies than elsewhere and are very instrumental in pushing for development causes," he said.

Mr. Huslid stressed that political will is crucial for turning a "political document" such as UN-NADAF into a genuine source of policy guidance for future action. Meetings such as the ECOSOC High-level Segment are opportunities for the "critical review" of UN-NADAF and not for recriminations. Hoping that African leaders accept critiques of the state of governance in some countries, Mr. Huslid also emphasized the impact of the unfavourable external environment. This is why he fully supports the emphasis Africa puts on securing funding for diversification, an issue he hopes will soon get past the "consideration" stage to the practical phase. Industrialized countries, he noted, all progressed from primary stages of production through horizontal and vertical diversification.

The fact that democratic forces are gaining hold in Africa, said Mr. Huslid, is a positive and vital trend that needs more international support. Regional cooperation is also crucial, he added, hoping for a second conference involving Burundi and its Great Lakes neighbours. Noting the massive resources going to peace-keeping, Mr. Huslid asserted that "democratic regimes don't make war."

Tough talk on Africa in Geneva meeting

Development issues were the focus of a "policy dialogue" in Geneva featuring the UN Secretary-General and the heads of the Bretton Woods institutions, the World Trade Organization, the UN Conference on Trade and Development and other UN agencies.

The message from World Bank President James Wolfensohn to the United Nations was courteously delivered, but blunt: "I don't want your guidance, I don't need your guidance and I don't want to be coordinated by you." At the same time, he affirmed his personal commitment to stronger partnership, not competition, on African development with the "needs of our clients" coming first. "We are here to serve" the world's poorest people and "not some bureaucratic imperative," he said, stressing his long private sector background and involvement with Africa.

In one of his first major multilateral outings — a dialogue with the UN Economic and Social Council High-level Segment — Mr. Wolfensohn was responding to UN Development Programme Administrator James Gustave Speth's invitation to define the development roles of the UN and the World Bank. Close collaboration is "essential to our mutual success," he said, calling for continued movement "beyond a narrow set of government or even non-governmental interlocutors to mobilize and support everyone involved in development."

Part of Africa's problem is the "history of its last 30 years," he said. When Gabon's representative noted that Central African franc zone countries had recently "deplored" tough Bretton Woods conditionalities which could "kill the patient," Mr. Wolfensohn said "the patient must also want to survive." There are problems on all sides, but any attempt to blame the doctor "doesn't work in medicine and it doesn't work in finance." And in view of the "potential crisis" for concessional funding, he said the Bank and African countries all had to put aid money to better use.

While Mr. Wolfensohn felt that the increasing integration of economies, technologies and information "promises prosperity for us all," International Monetary Fund (IMF) Managing Director Michel Camdessus warned that failure to take advantage of this "globalization" would further marginalize Africa.

They both stressed the effort needed for Africa to realize its great potential. Mr. Camdessus warned that only those countries with strong structural adjustment programmes "stand a chance today" of getting support from multilateral and bilateral donors. "More than any other region, Africa needs an effective anti-crisis strategy" and adequate financing, he said, calling for higher and more effective aid flows. But he made it clear that he hoped never to have to "open the Pandora's box" of selling IMF gold reserves to help reduce multilateral debt. Instead, he called for more bilateral funds for the next replenishment of the IMF's soft-loan enhanced structural adjustment facility (ESAF), which he hoped would become self-financing.

Nevertheless, Africa's external debt crisis continues to deplete "scarce" foreign earnings and deter foreign investment, observed Mr. Carlos Fortin, Officer-in-Charge of the UN Conference on Trade and Development (UNCTAD). He called for improvements to the Naples terms for bilateral debt and for "bold initiatives" from multilateral creditors.

The continent's drive for economic diversification also needs support from private and "notably foreign" investment, Mr. Fortin said. Africa is far from being "a continent without investment opportunities," he said, noting that existing foreign direct investment in Africa is "more profitable than in other developing regions and, in some cases, higher than in developed countries." In the post-Uruguay Round environment, he said, all African least-developed countries (LDCs) face export shortfalls from the erosion of trade preferences; all but two face higher food import bills and the combined effect will cut export revenue by 10 per cent for nine African LDCs. With Africa's share of world trade lower than ever at 2.4 per cent, Mr. Fortin called for determined efforts by African and donor countries to reverse this growing marginalization.

There was "basically no question that Africa would lose some markets" due to eroded trade preferences, said World Trade Organization (WTO) head Renato Ruggiero. "The virtual absence of African and other LDCs from the growth-creating possibilities" of the Uruguay Round agreements "is a standing reproach to us all," he added. The WTO has made Africa's special needs a "top priority" and has launched a "major research effort" on the implications of Uruguay for Africa and appropriate policy responses. "Trade will not answer all of Africa's problems, but it is crucial for growth," Mr. Ruggiero noted, warning against a "resurgent protectionism" that seeks to use environmental and other concerns to impose trade restrictions that will particularly harm the least-developed countries. ■

World Bank President James Wolfensohn and International Monetary Fund Managing Director Michel Camdessus at the ECOSOC high-level policy dialogue

Boutros-Ghali's passionate challenge

The UN Secretary-General has challenged the international community, including the IMF, to find ways of providing additional help to "countries in a state of war." Intervening with passion during the policy dialogue, Mr. Boutros Boutros-Ghali said Africa has 10 on-going conflicts, others may arise and 30-40 countries could be affected. "How can we boost aid in order to prevent war; how do we work on the relief-development continuum during conflicts; and, how do we build the peace?" he asked his colleagues. Affected countries, he pointed out, need a transition period of up to three years and special treatment in that period due to the distortions caused by war. And accidents can also happen, leading to renewed war, he said, as occurred in Angola.

Africa still needs to focus on the basics

Role that civil society can play in overcoming crises highlighted in NGO debate

By ***Nii K. Bentsi-Enchill***
Geneva

This is a time for "new and even provocative ideas" on African development, said Mr. Nitin Desai, UN Under-Secretary-General for Policy Coordination and Sustainable Development, as he opened a 3 July meeting of senior development experts in Geneva. The academics and representatives of non-governmental organizations (NGO), trade unions and governments were debating development priorities at a session held by the Office of the Special Coordinator for Africa and the Least Developed Countries (OSCAL), and co-chaired by Japanese Ambassador to Switzerland Yasushi Kurokochi and Ms. Marie-Angélique Savané, Africa Division Director of the UN Population Fund. The meeting's recommendations were fed into the 4-6 July High-level Segment of the UN Economic and Social Council.

Participants said conflict prevention is of paramount importance since conflicts push aside development activities by imposing a culture of violence, economic and social dislocation, and militarization. With the UN peace-keeping budget now over twice the size of its regular budget, they said that up to 10 per cent of peace-keeping funds should be redirected to prevention, including strengthening the Organization of African Unity's Peace Fund and Conflict Prevention Mechanism.

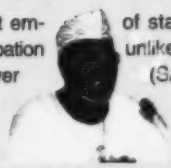
The meeting felt that a vital step towards "ending the culture of impunity" was to name internal and external contributors to conflicts. Participants said international transparency and accountability was "critical for securing a ban on arms shipments to conflict areas" and on land-mine exports. Democratization processes also need more support, with incentives and rewards for countries which "perform arms reduction and promote long-term peace-building measures in the same way the IMF and World Bank give incentives to countries implementing structural adjustment." Participants felt that NGOs can contribute greatly to early-warning systems and also to developing creative approaches for resolving conflicts.

On food security, the meeting stressed that NGOs have shown ability to feed grass-roots needs into government policy-making, and that better cooperation, within regions and with civil society, would help to curb malnutrition. Participants called for land reforms that target small farmers and help women gain access to credit and land ownership. They backed subsidies for vital agricultural inputs as well as broader access to the results of relevant research. Urging priority attention to food production, storage and processing, participants called for the upgrading of rural infrastructure but warned against over-emphasizing higher yields and incomes. In order to sustainably enhance the quality of rural life, biotechnology must promote food security and human and ecological factors must come first, they said.

With 83 per cent of Africa's exports still in raw material form, diversification was seen as key to economic transformation. While Africa has to achieve higher productivity and better-quality production and handling, participants urged donors not to escalate duties on Africa's processed exports and to fulfil their UN General Assembly commitment to consider financing its diversification efforts. Governments, the private sector and NGOs have to build trade and communications infrastructure and entrepreneurship, and expand markets, from the community right up to national, regional and international levels.

Focusing on human resources, infrastructure and institutions as well as on scientific and technological capacity, participants said capacity building is the basis of sustainable development. But the process also has to be participatory, with the empowerment of women a top priority, they added. Since the 1990 Arusha Conference on Popular Participation, thousands of African NGOs have been playing a critical role in development. But the partnerships launched by the Arusha Charter need strengthening, and full implementation will be speeded by following up on Commitment 10 of the UN World Summit for Social Development, which proposed regional conferences between governments and civil society. ■

No development without popular participation — Sunmonu



"Participation is meaningless without empowerment, and without active participation by empowered people, there will never be genuine democracy in Africa," said Organization of African Trade Union Unity (OATUU) Secretary-General Hassan Sunmonu. And Africans do not want "the type of democracy that is by the rich, for the rich, on behalf of the poor," he told *Africa Recovery* in Geneva.

He cites the African Charter for Popular Participation as the "Bible" for development. Drawn up at a landmark conference held in Arusha, Tanzania, in 1990 by the Economic Commission for Africa (ECA), it calls for "democracy through popular participation and empowerment of people to achieve accountability and transparency of leaders in order to foster social and economic justice and respect for human and trade union rights." No government should feel threatened by it, Mr. Sunmonu said. "Everybody agrees that development will be accelerated by releasing the creative energies of Africa's people. So attitudes must change and implementing the charter is the way forward." Governments "should understand what is in their own best interests and in the interests of stability and development." After all, unlike structural adjustment programmes (SAPs), these governments voluntarily adopted the charter: "We didn't force it on them."

He said OATUU intends to help change SAPs throughout Africa by pushing for implementation of the Arusha Charter. It is also working with the ECA, the IMF and World Bank on convening a high-level conference on "SAPs and Africa" within the next year.

Retrenchment under SAPs has "numerically weakened" organized labour, but he says its intellectual base is becoming "more solid" through OATUU's two-year-old capacity .building programme. This stresses the role of workers in democratization, economic restructuring and integration, empowering women in trade unions and in society, and occupational health and the environment.

Africa's workers, Mr. Sunmonu said, must be able to take part on equal terms with employers and government in decision-making on development "without being bamboozled." This means helping to decide on policy objectives and on more equitable distribution of both the sacrifices and the fruits.

Japan set to be largest donor to Africa

By **David Hecht**

Eager to assume a position of international leadership more in line with its economic might, Japan has indicated that it will increase its foreign aid commitments to Africa in order to make up for expected cutbacks in US aid. Already the world's largest donor, Japan's bilateral aid to sub-Saharan Africa hit over a billion dollars for the first time this decade and is expected to exceed US levels in 1995.

"Despite earthquake and recession, Japan still has very deep pockets," said Mr. Hiroshi Hirabayashi, who, as Director-General of the Economic Cooperation Bureau in Japan's Finance Ministry, manages Japan's official development assistance (ODA) budget. Explaining Japan's aid policies to senior UN staff in New York in June, he emphasized that failed development efforts in the past are discouraging future investment. In Africa in particular "there are rarely good stories," Mr. Hirabayashi said.

To reverse aid fatigue, he called for "better scrutiny" and "good publicity." Only with "success stories" will declining global trends in ODA be reversed and private investment flow.

Japan disbursed a total of $13.24 bn in ODA in 1994, up from $11.26 bn in 1993, reports the Organization for Economic Cooperation and Development (OECD). Total US disbursements declined from $10.15 bn to $9.85 bn in the same period, but "we believe Japan will make up for the US cuts," Mr. Hirabayashi said. The strong appreciation of the yen in 1994 is partially responsible for the growth of Japan's ODA in dollars, but even in yen terms Japanese aid flows were up by 7 per cent.

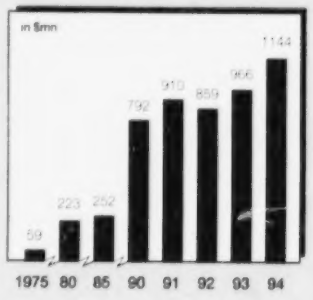
Africa's share of Japan's total bilateral ODA increased to 12 per cent in 1994 with bilateral aid to Africa at $1.14 bn, up from $966 mn in 1993. US bilateral aid to Africa remained slightly higher, at around $1.3 bn in 1994. But according to estimates by Richard Delaney, the US Agency for International Development's budget coordinator for Africa, US total aid will fall in 1995 to $9.75 bn. A further drop of 10 to 12 per cent could occur in 1996 if the US Senate confirms the appropriations bill recently passed by the House of Representatives, Mr. Delaney said.

Mr. Arthur Fell, head of the donor country section at OECD, said Japan could therefore have a greater impact on international aid policies. Japan particularly wants to push what Mr. Hirabayashi called its "fundamental concept" of making recipient countries accountable — the so-called "self-help effort" — which is how Japan, with the assistance of the World Bank and the US, "rose from the ashes of World War II."

According to Mr. Fell, the Japanese will bring more discipline to the system. In particular, they believe "you get rich by paying your debts" and "will put a lid" on debt forgiveness. However, this will not work for deeply indebted countries such as those in Africa, many of which do not have sufficient export earnings to cover even debt service payments, said Mr. Fell.

Japanese aid officials say they are taking these limitations into account. The president of Japan's International Cooperation Agency, Mr. Kimio Fujita, emphasized that the level of Japan's technical cooperation in Africa has "zoomed," and that about 30 per cent of all of Japan's Overseas Cooperation Volunteers are now sent to Africa.

Japan's ODA to sub-Saharan Africa, 1975-1994



Source: Ministry of Foreign Affairs, Japan: Report to the Development Assistance Committee

Still, $232 mn of Japan's ODA is in the form of loans, contributing to the continent's further indebtedness. Japan's grant-to-loan ratio is the lowest of all major donor countries and, while Japan says it favours so-called "debt remedy grants" for extremely indebted countries rather than debt cancellation, these only amounted to 7.3 per cent of Japan's total grant aid in 1994.

"We are perceived as villains," admitted Mr. Hirabayashi, but he argued that other donors may not have been so quick to slash their aid budgets if they had not agreed to forgive past debts. They are writing off old money, so they no longer have to give new money, he said.

With the recession in Japan, ODA as a percentage of GNP dropped from 0.32 per cent in 1992 to 0.29 per cent in 1993. Although the percentage decreased slightly in 1994 to 0.28 per cent, support for that level of ODA remains high, despite concern over the cost of rebuilding the earthquake-ruined city of Kobe. Furthermore, unlike in many other donor countries, the Japanese believe the swelling costs of emergency assistance should not be taken from the development budget.

Since Japan's constitution prohibits a national army, military assistance and arms exports, ODA is one of Japan's "most important instruments of foreign policy," Mr. Hirabayashi said. The government developed an ODA Charter in 1991 that details policy, implementation and evaluation. Japan is beginning to dispatch more of its own teams for on-site evaluations and is proposing more of its own project ideas to recipient governments and other donors. Japanese aid officials, however, admit they still are ill-prepared to carry out their work, noting that their official aid agencies have less than half the staff of those in the US.

Over the next four years Japan is planning to create one of the largest development finance institutions in the world by merging the loan arm of its ODA with its import/export bank. According to Mr. Fell, Japan is also managing to put "flesh on the bone" of South-South cooperation. It is, for example, assisting Indonesia, Singapore, Thailand, Peru, Egypt and other countries in extending pre-existing programmes to other developing countries, mostly in the area of training and technical cooperation. And Japan is encouraging countries that have graduated from the ranks of developing nations, such as Singapore and South Korea, to become "newly emerging donors."

But most important is aid quality, according to Mr. Hirabayashi. Despite frustrations expressed by the business community, the Japanese government has substantially changed its policy of tying aid to procurement through Japanese companies. Only 12.5 per cent of aid was tied in 1994, much less than other major donors. In addition, only 27 per cent of aid procurement contracts were awarded to Japanese contractors in 1994, compared to 67 per cent in 1986. Whatever the source of procurement, unless recipient countries are involved and made accountable for the success of projects, "assistance will serve no purpose," Mr. Hirabayashi said. ■

New ECA head lays out priority concerns

Mr. Kingsley Amoako, the new Executive Secretary of the UN Economic Commission for Africa (ECA), has taken over at a critical time for the continent and for the institution itself, which has been described as the "biggest concentration of intellectual property that Africa has and needs." Mr. Amoako's programme for revitalizing the ECA's contribution to African development has been endorsed by a staff that expects him to "do away with a management culture that has done so much to bring the ECA" to its knees. Africa Recovery *interviewed Mr. Amoako in Geneva in early July where he addressed the High-level meeting of the UN Economic and Social Council.*

The Economic Commission for Africa (ECA) is a vital institution that is "ripe for renewal" and it must realize its potential of becoming a "centre of excellence" for Africa, says its new Executive Secretary Kingsley Y. Amoako. He says Africa is "the world's most serious development challenge," and the ECA must provide intellectual leadership and technical support to African countries. But to do that, the ECA must achieve "excellence in performance, greater cost-effectiveness and more effective partnerships."

Building such partnerships will help the ECA to "leverage its limited resources more effectively, focus on the areas where its own contribution can be the greatest" and also "play a supporting role where other agencies are better prepared to take the lead." After playing "a very important advocacy role in the past," the ECA must now take "a hard look" at all its priorities, structures and programmes so it can "deliver its products and services better," said Mr. Amoako. One immediate concern is to strengthen the quality of decision-making. This means assessing policies and practices in recruitment, training, performance and development of both management and staff, and the appeals and grievance procedures. It also means improving the criteria and procedures for allocating resources and monitoring expenditure, as well as the use of information technology.

From September, Mr. Amoako plans to hold two large-scale "retreats" to discuss strategic options for the ECA. "I have my own ideas; don't get me wrong...but I also want to get everybody involved." Participants will be ECA staff and "stakeholders" (including representatives of African governments, partner agencies and NGOs, as well as academics). Drawing on these "highly participatory" consultations, he will present a strategic vision for the ECA by 1 January 1996 for discussion with the UN Secretary-General and the ECA Council of Ministers. Work will then start immediately on a "road map" for implementation which he wants to have ready by April 1996.

General consensus on SAPs

Turning to the ECA's past work of note, Mr. Amoako said the African Alternative Framework to Structural Adjustment Programmes (AAF-SAP) was a "very important contribution to the debate," synthesizing concerns about the short-term impact of orthodox SAPs. However, there is now a "remarkable international consensus" on "what seems to work and what countries need to do," he said. These fundamentals include solid macro-economic policies and human resource development. And instead of "defeatism" over the expected negative impact on Africa of the Uruguay Round agreements on international trade — on which "the evidence is not clear" — Africans must be positive "and ask 'what can we do to catch a train that is already moving.' "

Instead of defeatism over the impact of the Uruguay Round, Africa must focus on what it can do to catch a train that is already moving.

He disagrees with the critique of SAPs as standardized prescriptions not tailored to country-specific needs, and said that the ECA has to help strengthen each government's capacity to formulate its own positions and priorities. But the ECA is not yet geared to helping African countries prepare, for example, for a Consultative Group meeting with donors, and he will try to correct this.

Mr. Amoako also argued that the one-country framework of SAPs does not obstruct regional integration — countries must formulate appropriate national policies while sharing experiences and improving regional coordination. He intends to work with the heads of the Organization of African Unity and the African Development Bank on critical areas for accelerating regional cooperation and integration. Building the African Economic Community is "paramount for me ... It is in my blood since I was born in Kwame Nkrumah's time," Mr. Amoako added.

He said specific areas for ECA work include trade and transportation issues, harmonization of monetary policies and South-South cooperation, with capacity building an omnipresent concern. Other priorities are agriculture and food security, areas covered by the Secretary-General's Special Initiative on Africa which Mr. Amoako co-chairs with UNDP Administrator James Gustave Speth.

The ECA faces funding problems along with the entire UN system, but Mr. Amoako argued that by "putting the house in order" and ensuring the "highest possible rates of return," improved performance will boost confidence and help reverse the ECA's shrinking finances.

If anybody is concerned that "a World Bank man" now heads this vital UN institution for Africa, Mr. Amoako said he is "not going to apologize" for his 20 years at the Bank. He is "first and foremost" an African whose commitment is reinforced by his job at the ECA. He also feels "lucky and proud" of his long Bank experience, with more than half his career there spent on African issues, including four years as the Bank's representative in Zambia. From January 1993, he added, he was setting the Bank's social policy as Director of its Education and Social Policy Department and supervised the Bank's paper for the Beijing World Conference on Women.

All this, he said, gives him a "unique perspective and advantage" in strengthening the partnerships that are essential to African development and serving as a bridge to the "collective experiences, resources and perspectives" of the Bank, other UN agencies and the international community. ■

Commission pushing Africa's integration

By **Mark Thomas**
Addis Ababa

African countries are being forced to face up to some of the most demanding development challenges in their history, and many are increasingly looking to the UN Economic Commission for Africa (ECA) for guidance.

"In the past we often had great difficulty in getting countries to follow what they knew was sound economic advice," says Dr. Makha D. Sarr, the commission's Deputy Executive Secretary. "But now they are listening ... they realize that Africa needs the commission now more than ever."

Given the current international economic climate, Dr. Sarr said only those countries that commit their own resources to and show progress towards sustainable socio-economic development will be able to expect continued support from donors. "And this is exactly what the ECA has been promoting and trying to equip them to do," Dr. Sarr said.

Among the key strategies pushed by the ECA are the need for strengthening human and institutional capacity for socio-economic management and growth; developing transport, communications and industrial infrastructures; and increasing awareness on popular participation and human-centred development. But the fundamental and all-encompassing theme of the commission, at least in recent years, has been the need for regional cooperation and integration.

"African countries, with their narrow economic bases, cannot develop in isolation," according to Mr. Mbaye Diouf, head of the commission's Economic Cooperation, Trade and Development Finance Division. "And with the growing number of trade blocs coming up in the world, it is especially important for us to integrate our economies so that we can compete."

Although the effective establishment of the African Economic Community (AEC) envisioned in the Abuja Treaty is still decades away, the ECA already has helped to lay some of its foundation. The commission played a key role in creating 30 institutions around Africa that have helped to build capacity in strategic fields such as finance and banking, cartography and remote sensing, engineering and manufacturing, mineral and agricultural development, and economic management and planning. Just one of the institutions, the Institute for Development and Planning in Dakar, has trained more than 6,000 high-level African economic managers and development planners.

The ECA also helped to set up many of the regional economic communities, including the Economic Community of West African States (ECOWAS) and the Preferential Trade Area for East and Southern Africa (PTA), now the Community for Eastern and Southern African States (COMESA). Supporting these economic communities are the ECA's five Multinational Programming and Operational Centres (MULPOCs).

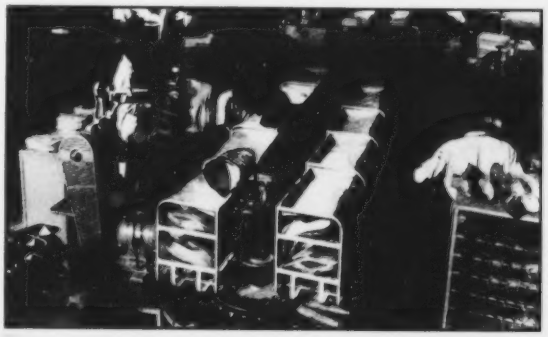
The regional communities have adopted policies and programmes revolving around a four-pronged strategy aimed at furthering economic integration. Outlined in the Abuja Treaty, the strategy includes "physical integration" through the development of community transport and communication networks and the interconnection of high-tension power-grids between countries; sub-regional production systems with inter-sectoral links between the primary and secondary sectors; unification of domestic markets through the removal of tariff and non-tariff barriers and the establishment of common external tariffs; and the harmonization of economic and monetary policies through homegrown reform programmes.

Critics of the continent's integration process have likened it "to trying to put a wall up around Africa," and have called for a market liberalization model more along the lines of the European Union. But Mr. Diouf argued that the European Union was set up so that European companies — who already enjoy relatively sound production systems and strong infrastructure — could become more competitive on the world market.

"You can ask Cameroon to compete with Gabon, or Senegal to compete with Burkina Faso. But how and with what do they compete?" Mr. Diouf said. "Even if they have the production, they either don't have the infrastructure to communicate or the roads to transport goods."

Finding the resources needed to further integration has proved difficult, and in order to continue financing the various regional communities and technical institutions, the ECA's last Conference of Economic and Planning Ministers accepted a proposal for a tax levy of 0.25 per cent on all goods and services being imported into Africa. The ECA believes such a levy would be low enough to not trigger inflation, but high enough to cover most of the activities and running costs of the institutions and regional groupings. The imposition of such a tax, which would require legislation in member states, is at least two years away.

The ECA also has looked at innovative ways to help build the continent's infrastructure. One proposal under consideration is buying equipment from Eastern Europe — including railways, cargo airlines and road-building machinery — that can be integrated into Africa's infrastructure development.



World Bank

Shoe factory in Zimbabwe: The ECA says African countries must diversify their economies in order to compete

Mr. Diouf says the ECA carried out a survey in Eastern Europe two years ago and found that such equipment can be purchased there at much lower prices than from other sources. The ECA is considering approaching the European Bank for Reconstruction and Development (EBRD), which is charged with helping Eastern Europe revitalize its productive sector functions, about providing Africa with soft loans and grants to purchase the equipment.

"This equipment is not the most modern, but at our level of development we can certainly put it to good use. This would also help Eastern Europe by providing it with the money it needs to develop its own production systems. This is a way in which the EBRD could help both Africa and Eastern Europe recover," Mr. Diouf said. ■

Informal sector seen as key to growth

By **Margaret A. Novicki**

Long neglected by governments and international agencies, Africa's vibrant informal sector is now beginning to command the attention of development experts and planners. As the mainstay of urban employment and an important component of private sector growth, the sector is being seen as a viable contributor not only to poverty alleviation, but potentially to the continent's longer-term economic development.

Employing 40 million people, or 60 per cent of the labour force in Africa, and producing nearly 20 per cent of its gross domestic product, the informal sector, by virtue of its status as the "hidden" or "underground" economy, has been omitted from national planning and support. Its operators have been victimized by laws and regulations, and their productivity held back by a lack of access to credit, training and technology. Little data has been collected on the informal sector; rather, it has been regarded as a transient, unorganized phenomenon, to be supplanted by a burgeoning modern sector as development takes root.

In today's context of recession and structural adjustment, however, in which formal sector employment has grown only slowly or declined, the informal sector has taken on a new role: that of a safety net and an increasingly critical source of alternative income for many households. Africa's informal sector grew at an annual rate of 6.7 per cent in the 1980s, according to the International Labour Organization (ILO), absorbing 75 per cent of new entrants to the labour market. In recent years, the ILO says, the rate is even higher, as public sector workers are retrenched and urbanization and population growth continue unabated.

These trends, as well as proposals for strengthening the sector, were discussed at a high-level workshop on informal sector development in Africa held on 13-15 June at United Nations headquarters in New York. The workshop was "the first international-level meeting to recognize the importance of the informal sector," said Mr. J.S. Juneja of the National Small Industries Corporation Ltd. of New Delhi, India, who chaired one of its sessions.

The informal sector will provide some 60 to 70 per cent of new job openings in Africa in the 1990s.

The discussions also highlighted the critical role of women, who comprise the majority of informal sector workers in Africa. Convening the workshop, said Ms. Marie-Angélique Savané, director of the Africa Division of the UN Population Fund, was "the culmination of the struggle by women" over many years to have their work, which is rarely captured in national statistics, fully recognized.

Over 75 experts from African governments, UN agencies, donor countries and non-governmental organizations (NGOs) attended the meeting, which was organized by the UN's Office of the Special Coordinator for Africa and the Least Developed Countries (OSCAL) of the Department for Policy Coordination and Sustainable Development (DPCSD), the Department for Development Support and Management Services (DDSMS) and the Regional Bureau for Africa of the UN Development Programme (UNDP).

Cassava-processing cooperative in Ghana: women comprise the majority of informal sector workers in Africa

A background paper, "Expanding and Integrating the Informal Sector into the African National Economies," was prepared by OSCAL for the workshop, which examined assistance by the UN, donor agencies, NGOs and financial institutions to Africa's informal sector, women's participation in the sector and integration of the informal sector in national economies.

"We must start with the premise that the spirit of enterprise is out there," said Mr. Nitin Desai, Under-Secretary-General, DPCSD, in his address to the meeting, and that the informal sector holds "immense potential" for development. Indeed, from cross-border and retail trade, to food-processing and sales, to transport, artisanry, and cottage industries, the sector, generally defined to include small or "micro-enterprises" with between one and five employees, will provide some 60 to 70 per cent

Agenda for action on Africa's informal sector

(Recommendations of the UN workshop, 13-15 June 1995)

- **Policy framework**: Incorporate the informal sector's needs in planning; establish a flexible administrative, fiscal and legal framework; empower women informal sector operators in a climate of social and legal equality; recognize the supporting role of NGOs.
- **Finance**: Encourage banks to provide credit and evaluate informal sector credit-worthiness in innovative ways; governments to help develop traditional micro-credit and savings programmes.
- **Education and training**: Establish training facilities to raise vocational and business skills levels, particularly for women and youth.
- **Technology and technical assistance**: Provide training in appropriate, environmentally sound, improved technology; and information on scientific and technological advances and market opportunities.
- **Information**: Develop an informal sector information base.

The workshop also recommended the convening of an international forum — with the participation of informal sector representatives — to consider formulating a special programme of action to support and strengthen the informal sector in Africa.

of new job openings in Africa in the 1990s.

Along with a consensus among participants on the potential developmental significance of Africa's informal sector, however, was a recognition that its impact on economic growth is limited by low productivity, capitalization and technology. Poor access to resources and markets, and regulatory and tax barriers, according to the ILO, explain why the sector continues to operate outside the mainstream economy — unregistered, unlicensed and small-scale — and is thereby denied the opportunity to participate to its full potential in the national economy.

Lack of access to finance represents the most serious constraint to informal sector development. Its operators — in particular women — are rarely able to borrow from commercial banks due to the high cost of credit, collateral requirements and a reluctance to lend to what are considered risky ventures. This barrier has resulted in the proliferation of informal financial institutions, such as people's banks, "tontines," or "susu" groups, which help to mobilize small savings and channel them to informal sector operators.

In some cases, these sources of financing are so successful that they "graduate" to formal sector enterprises. Mr. Aboudou Cheaka, director of the Panafrican Institute on the Cooperative Economy in Cotonou, Benin, cited the example of a local tontine which, by 1993, had mobilized $300,000 worth of credit, and was able to transform itself into a registered savings and loan cooperative.

Cumbersome laws, regulations and administrative procedures relating to taxation and licensing, which are enforced by central, municipal and district authorities, are additional impediments. Informal sector operators are also limited by a lack of access to and high cost of business premises and basic infrastructure, such as water and electricity. And low productivity, caused in part by low skills levels, further inhibits expansion, as knowledge of simple business management techniques, such as book-keeping, procurement and marketing, is often lacking.

In light of the numerous constraints, workshop participants focused on the key question of the real development potential of the informal sector. Should the sector be seen as containing the seeds of the continent's industrialization, questioned the UN Economic Commission for Africa, or a survival mechanism and haphazard phenomenon which can play only a subsidiary role in the development process? And should the continuing expansion of employment in small enterprises be viewed as a component of successful development, asked Mr. Robert Young of the US Agency for International Development, or as a reflection of the failure of development to take place?

Other participants argued against efforts to integrate the informal sector into the formal sector of the economy, saying to do so would kill its very vitality. They rather felt emphasis should be placed on how to cultivate entrepreneurship in Africa, encouraging small operators to transform their businesses from micro- to small- and medium-sized enterprises.

While some informal sector businesses will naturally evolve into modern sector enterprises with greater availability of inputs and support — "You can't stop a baby from growing," explained Ghanaian entrepreneur Lucia Quachey — others are destined to remain small-scale and may be better able to access resources such as credit and new technology if linked together in cooperatives. Programs of support should thus target the creation of a network of productive and efficient small-scale enterprises which would capture a greater share of domestic markets and provide a more equitable distribution of national income.

But for this to happen, participants said, there had to be an enabling environment, especially an appropriate policy framework, and access to finance, education and training, technology and technical assistance, and information on market opportunities. ■

Promote African women entrepreneurs — Quachey

Although women predominate in the informal sector in Africa — carrying out 75 per cent of informal trade, 60 to 80 per cent of food production and up to 80 per cent of food-processing in some countries — they suffer from gender-based discrimination barring access to training and credit, low levels of education and entrepreneurial capacity, and lack of governmental support.

Lucia Quachey is secretary-general of the African Federation of Women Entrepreneurs, and founder/president of the Association of Women in Development Experts (AWIDE), through which she has championed the cause of women entrepreneurs, particularly rural women. An entrepreneur and executive director of Lucia Manufacturing Industry Ltd. of Ghana, Ms. Quachey experienced first-hand the difficulties women informal sector operators encounter.

She began her business career in 1969 making ready-to-wear apparel out of her home. "I didn't even know that I had to register my business," she said. Three years later, her business grew into a formal sector enterprise, and was registered as a limited liability company in 1981. In the intervening years, Ms. Quachey became a founding member, then president of the Ghana Federation of Business and Professional Women.

She conducted research in four regions of Ghana which suggested to her that learning the basics of business would quickly help many rural women out of poverty. "Whatever economic activity they were involved in was solely for survival," she said. But, she wondered, "How do you teach illiterate people how to plan, market, cost, and prepare a business plan?"

Ms. Quachey decided on an integrated approach to women's entrepreneurial development, because "as you are tackling an income-generating activity, another thing — water or health — comes in to derail that very viable project." Out of her research, AWIDE was born. Using a seed grant from the New York-based Trickle Up organization, AWIDE began on-the-spot entrepreneurial and management training, leading to group enterprise formation, business plan preparation, and provision of start-up capital.

"Entrepreneurial training for women in Ghana," says Ms. Quachey, "has helped many literate and illiterate women to grow from the informal sector to small-scale formal sector enterprises." Through these endeavours, she said, "ordinary women can take control and determine their own futures."

Ms. Quachey is also secretary-general of the African Federation of Women Entrepreneurs (AFWE), initiated by the UN Economic Commission for Africa. AFWE will hold the first all-Africa, Europe and North America women's trade fair in Accra in June 1996, bringing together women entrepreneurs to network, invest in each other's businesses and exchange technology. "This is the first time an association for women is not just talking about women's rights and vulnerabilities, but wants to work as women entrepreneurs, not asking for any favours, but speaking the same language as men, which is economics," says Ms. Quachey.

Structural adjustment and Africa's workers

World Bank says economic reform produces winners and losers in the labour force

Africa risks falling further into "a poverty trap" and becoming "increasingly marginalized from the world economy" unless sound domestic policies are adopted which will generate growth in the demand for labour, expansion in the skills of the work force, rising productivity and an opening to trade and capital, says the *World Development Report 1995: Workers in an Integrating World*.

While the report by the World Bank focuses primarily on how the changes in the world economy brought about by the decline of centrally planned economies and the embrace of market-based policies will affect workers, it also warns that the number of poor worldwide could rise even further as the world labour force grows from 2.5 billion today to a projected 3.7 billion in 30 years. Ninety-nine per cent of the projected growth in the labour force from now to 2025 will be in the low- and middle-income countries, including many in Africa.

Workers in an Integrating World examines the impact on workers of a transition from failed development strategies — a topic of particular relevance in African countries undergoing structural adjustment. It finds that reform produces winners and losers in the short term, with losers particularly concentrated among the unskilled and formal sector workers in urban areas. The unskilled and uneducated are least able to adapt to a changing environment and take advantage of new job opportunities.

During the initial period of adjustment — which coincides with, or is triggered by, a macro-economic crisis — employment and real wages decline. But, the report says, evidence from two adjusting countries — Ghana and Tanzania — reveals that "both employment and wage performance improved following structural reform." In Tanzania, employment grew at an average annual rate of 6.1 per cent during 1985-92, compared to -1.5 per cent during the first half of the decade. Real wages in Ghana's private sector almost tripled between 1983 and 1988, following economic reform, although the economy and the private sector contracted over the same period.

The Bank states that poor workers, especially rural households, may benefit from economic reforms such as trade liberalization and currency depreciation which help in the creation of new labour-intensive industries. Agricultural workers are better shielded from the effects of a shrinking public sector than urban workers, and they may gain improved prices for their products from structural adjustment. In Ghana, real wages in agriculture rose by 27 per cent, whereas wages in non-tradeable goods sectors, mainly commerce, fell by about 22 per cent following adjustment in the mid-1980s.

Mechanic repairing farm machinery in Ghana. Employment and wages improved following structural reform, according to the World Bank.

Privatization may have positive impact on employment

Privatization of state enterprises — a central condition in structural adjustment lending — has had a negative short-term impact on employment, says the International Labour Organization's (ILO) *World Labour Report 1995*, particularly where there is already substantial unemployment, such as in Africa. But in the long-term, the report says, the impact is more likely to be positive, as privatized companies may be better managed, with larger capital, and may actually create jobs.

One of a series of policy reforms designed to reduce public spending and accelerate private sector development, privatization — the transfer of productive assets from the public sector to private entities via public offers or direct sales — has hit workers through hiring freezes, lay-offs or early retirements. While in some cases there has been some re-hiring by newly privatized firms, privatization has often created a new set of problems for governments which must struggle to pay termination benefits and to address the broader social consequences of job losses.

In sub-Saharan Africa, the dominant role of state enterprises has been identified by the World Bank and International Monetary Fund as a key factor in poor economic performance. Some 67 per cent of structural adjustment lending to African countries in 1989-91 involved public enterprise reform, and a high proportion focused on selling off state-owned enterprises.

But the pace of privatization has been relatively slow in Africa. Six countries — Benin, Ghana, Guinea, Mozambique, Nigeria and Senegal — accounted for two-thirds of the divestitures from the late 1980s to the early 1990s, which for the most part have been small in scale, according to the ILO. And in 1992-93, Mozambique accounted for 46 out of a total of 94 privatizations.

In some countries, though, divestitures have been quite substantial, affecting thousands of workers and requiring costly termination benefits. Civil service benefits are generally higher in Africa than those in the private sector, but, according to the ILO, health and pension benefits have eroded under the strain of high budget deficits.

Of those countries grappling with privatization, there has been a range of government responses. At one end of the spectrum is Togo, where job losses have occurred with no compensation or alternative employment opportunities being provided. On the other end is Guinea, where an elaborate compensation programme was worked out.

Some 32,000 workers were removed from public sector payrolls between 1985 and 1989 through a combination of early retirements and voluntary departure with sizeable benefits packages. Of those retrenched before 1990, some 36 per cent had not obtained another job by 1992. The 64 per cent who found new employment were on average better off, with real earnings double their public sector level.

The worst-case scenario for poor workers is where reforms have begun to be implemented and are then abandoned, a situation which often results in a dramatic fall in living standards. The report cites the example of Côte d'Ivoire, where over the period 1984-86, sustained economic growth resulting from structural reform, combined with strong world commodity prices, led to a substantial reduction in poverty. But in 1986, when the terms of trade collapsed and the government abandoned reform, GDP growth fell drastically and poverty sharply rose. Between 1985-88, the share of the population living below the poverty line increased from 30 to 46 per cent.

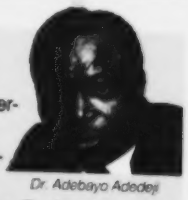
While demand for labour falls in most periods of transition and adjustment, how many and how quickly new jobs are created depends on the speed and credibility of reform, the Bank says. The growth of the informal sector has been a by-product of adjustment in Africa, as retrenched public sector workers seek new jobs and other family members must find work to offset declines in household income. Women are especially vulnerable in this regard. In Ghana, women in the informal sector faced declining incomes as retrenched workers moved into informal activities. They were also affected by a shift in resources away from food-crop agriculture, where they predominate, to cash crops.

The study concludes with a cautionary note: that "the plight of the African continent remains the most serious challenge for the emerging world order." The Uruguay Round trade agreement will raise food prices and erode sub-Saharan Africa's trade advantages in some European markets, hurting the urban poor in the short term. It will also erode the region's trade preferences in the markets of some European states, and increased global competition will reduce returns to low-skills manufacturing activities. But it can also create opportunities for rural workers in the future if productivity in primary commodities — an area where Africa has a comparative advantage — is raised so that the continent can compete with Southeast Asia and Latin America.

Greater accumulation of capital and improvements in efficiency are critical, says the report, as standards of living cannot improve, given the high rate of population growth, unless investment rates, which have fallen to 16 per cent of GDP, rise dramatically. But risks faced by investors must be reduced in order for this to happen. Reform must be accelerated and infrastructure and governance improved. And interventions in labour markets are needed to reduce the bias against small and informal businesses and agriculture. Public sector reform, entailing job cuts and more competitive wage structures, is critical, says the Bank.

Africa requires a greater opening of agricultural markets in the industrial world, debt reduction and "a stronger anchor to the rest of the world" if it is to offset the losses from the Uruguay Round and allow for the development of regional growth poles, such as South Africa. ■

Study focuses on public sector salaries



Dr. Adebayo Adedeji

How to reverse the decline in morale and productivity of Africa's public services — key to Africa's future economic and social development — is the subject of a new study commissioned by UNICEF and UNDP, entitled *Pay, Productivity and Public Service: Priorities for Recovery in Sub-Saharan Africa.*

The study, which is intended to start a dialogue between donors and African governments leading towards the implementation of its recommendations, was undertaken by Adebayo Adedeji, the former head of the UN Economic Commission for Africa, Reginald Green of the Institute of Development Studies, UK, and Abdou Janha, former head of the Gambia's civil service. Their findings were based on examinations of the situation in five countries — Ethiopia, Mali, Mozambique, Rwanda and Tanzania.

The report notes that the delivery of public services in Africa has declined by about 50 per cent in real per capita terms since 1980. While the civil service made an important contribution to African stability and continuity in the 1960s and 1970s, said Dr. Adedeji in launching the study in Geneva in early July, impoverishment drove out the best elements in the 1980s, leaving behind those "who have to be dishonest to survive," at the expense of standards required for the efficient delivery of government services.

Public sector workers have suffered from extremely low, and declining, pay: real remuneration for most civil servants has fallen by at least half in the countries studied, and in Mozambique and Tanzania by at least three-quarters, since 1979. In many countries, pay for primary school teachers is often less than half the level that marks the household poverty line.

At present in Africa, however, there are no alternative private sector providers for many essential services — health care, education, water and sanitation, agricultural extension, law and order, tax collection, and infrastructural maintenance.

Therefore, the report says, immediate action must be taken to avert the public sector's imminent collapse. Comprehensive public service reform programmes have too long a time frame and selective attempts at increasing pay — especially donor top-ups — are not the answer because they exclude between 60 and 80 per cent of public servants.

The report's major recommendations include:

1) Paying for performance: Basic public servant remuneration should be restored to two-thirds the household absolute poverty line. Reasonable career structures, with senior officers receiving 10-15 times starting salaries, are needed to provide incentives for training, performance and promotion. Allowances should be reduced and made more transparent and externally funded supplementary payments should be phased out rapidly.

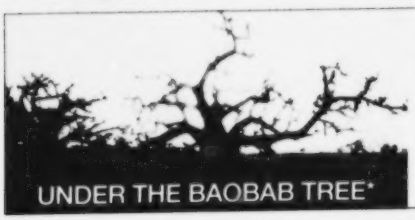
2) Performance for pay: Standards must be set for increased pay, which include enforced attendance at and attention to work, and acceptance of needed training and retraining.

3) Accounting to users: Local communities should provide part of the resources needed, along with the state, in return for involvement in programme design and monitoring. As partial payers for and customers of the services, they would be better able to hold civil servants accountable for their performance than governments are.

4) Reallocating external resources: Donors can provide a total envelope of basic resource transfers, to be allocated to key programmes and sectors in consultation with the recipient government. Increased budget support could be balanced with decreases in technical assistance. Donor and NGO parallel delivery systems could be reintegrated into local government programmes. Enhanced budget support should replace direct donor salary top-ups.

5) From survival to revival: Donor humanitarian assistance aimed at survival should be converted over a four- to six-year period to budgetary support for rehabilitation of basic public services, to avoid future emergencies.

6) Toward sustainability: A progressive shift away from technical assistance and a phasing out of survival support transferred to reconstruction assistance over five years, combined with improved tax collection and 4-6 per cent growth, would be a major step toward the sustainability of public service reform and the reduction of dependence on external donors.



The Legacy of Jim Grant

By Djibril Diallo

Jim Grant, the late executive director of UNICEF, often comes to mind these days, perhaps for two reasons. First, China is so much in the news with the Beijing Women's Conference. I remember the keen interest he always harbored for the most populous nation on earth. Second, September is very significant for the children of the world, the month when the historic World Summit for Children was held, and 1995 is a benchmark in this regard. With ingenuity, Mr. Grant had managed to convince the international community to undertake a worldwide review in 1995 of how each country has fared in attaining the goals set at the September 1990 summit.

There was a joke that circulated at UNICEF in Jim Grant's time: whoever was UNICEF's representative in China had better watch it because he or she would have none other than Grant himself as desk officer. Of course, China had its own desk officer who competently handled the country's operations from the Asia section. But Grant had such a passion for anything Chinese that he was hard to beat when it came to articulating the complexities of that great nation.

Child survival and development

He had a dual concern at any given point: to master the challenge of child survival and development in China and in Africa. He regarded China, the country with the largest number of children in the world, and Africa, the poorest continent on earth, as the hardest nuts to crack.

Mr. Grant spoke perfect Chinese. He revelled in engaging Chinese technicians abroad in intense discussion on any topic. Such meetings often occurred during his multiple field visits to Africa — whether around the site of a sports stadium being built by the Chinese in September 1986 outside Banjul, the Gambia, or in a hospital in Guinea in 1992.

Today it is widely acknowledged that addressing the welfare of children goes hand-in-hand with promoting the advancement of women. Mr. Grant fought hard to make that link and he succeeded. He had a special relationship with opinion leaders throughout Chinese society, but especially with the All China Women's Federation.

Mr. Grant loved Africa and the Africans knew it. His was an everlasting endeavour to look at our world through the eyes of the less fortunate, the downtrodden, those for whom he became a true champion internationally. It led to his continuous quest for better understanding of their cultures and values. For those reasons, he wanted so much to speak to Africans in their own languages, or at least in one of the languages of wider communication, such as French or Portuguese. I could read this eagerness on his face. The task therefore often fell to me to double up as translator to facilitate close communication with Africa's children.

I thought about Jim Grant again when I came across quite a few African students during a visit to Beijing earlier this year. They were part of an increasing network of Chinese language-speakers that Mr. Grant could have talked with once they went back to their countries. Interestingly enough, many of those students in China were young women, perhaps demonstrating the increasing priority Africa places on the education of the girl child.

Education of the girl child

The figures for female school enrolment in Africa are becoming quite respectable. High enrolment rates in the 1960s and 1970s for both boys and girls were cut drastically by the famines and civil strife of the 1980s, dropping from 39 per cent in 1980 to 35 per cent in 1990, when they started picking up again. By 1992, the enrolment rate had climbed back to 42 per cent. That year, the continent's female primary and secondary school enrolment rate was 49 per cent. Countries like Zimbabwe have achieved higher rates, despite the scarcity of resources, with an adult women's literacy rate of at least 70 per cent.

Josephine came to China immediately after her secondary education, four years ago. She was 17 years old. Loneliness was one of the hardest challenges to contend with. Even though there were other African women students around, and even though the African Students' Association they formed helped bond them together, life was still hard for Josephine. Today, she is one of the top students of the Language Institute in Beijing and she occasionally volunteers as a translator for her country's embassy.

Mao Zedong used to say that in China, women hold up half the sky. And China's record on women is quite respectable, when measured by life expectancy, education and basic purchasing power. Twelve journalists from the international media assessed these facts for themselves when I took them to see how the agenda of the Beijing Women's Conference relates to the lives of ordinary people in the remote areas.

Mr. James Grant, UNICEF's Executive Director from 1980 to 1995, visiting Rwandan children in refugee camps in Zaire in September 1994

We visited urban and rural areas in Benxi Municipality, Liaoning Province, in eastern China. The journalists represented such media as the *Wall Street Journal* (USA), the *Toronto Globe and Mail* (Canada), *Le Monde* (France), *Le Soir* (Belgium), the BBC (England), and *Asahi Shimbun* (Japan). Unlike many countries in the world, Chinese women have the right to own property, to use their own names and choose their own husbands. In fact, the Chinese Constitution says that "women enjoy equal rights as men in all aspects, including politics, economy, culture, society and family life." Jim Grant also believed that equality before the law is essential for sustainable human development.

**The African Baobab is one of the world's hardiest trees, thriving in even the most arid environment. It is also the tree under which some Africans traditionally meet to decide issues of common concern.*

AFRICA AGENDA

WHAT'S TAKEN PLACE

5-9 June, Washington DC, USA: World Bank Special Programme of Assistance meeting Contact Alison Rosenberg: Phone (202) 473-4625, Fax (202) 473-8046.

13-15 June, New York, USA: International Workshop on Informal Sector Development In Africa. Contact Abraham Joseph: Phone (212) 963-4839, Fax (212) 963-3892.

26-28 June, Addis Ababa, Ethiopia: Organization of African Unity (OAU) Summit. Contact Dr. Ibrahim Dagash, Press and Information Division: Phone (2511) 519310, Fax (2511) 517844.

26-27 June, Harare, Zimbabwe: Regional Workshop for Eastern and Southern Africa on the Operationalization of Principles of Tokyo Declaration on African Development. Contact Mieko Ikegame: Phone (212) 963-2166, Fax (212) 963-3892.

7-18 August, Nairobi, Kenya: 7th Session of the Intergovernmental Negotiating Committee for the Elaboration of an International Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa. Contact Franklin Cardy: Phone (2542) 62-36-80, Fax (2542) 21-56-15.

FORTHCOMING EVENTS

30 August - 8 September, Beijing, China: NGO Forum at the Fourth World Conference on Women. Contact NGO Forum Secretariat: Fax (212) 922-9269, or Chinese Organizing Committee, Fax (86-10) 522-5326 or 522-5329.

4-15 September, Beijing, China: Fourth UN World Conference on Women (FWCW). Contact Conference Secretariat: Phone (212) 963-5086, Fax (212) 963-3463.

7 September, Beijing, China: Emphasis Day on Rural Women. To be held during the FWCW under FAO's coordination to bring rural women's issues to the forefront of the global agenda.

17 September, Abuja, Nigeria: Status and Prospect of Science and Education in Africa. Sponsored by the Third World Academy of Science, Washington, DC. Phone (202) 473-4128.

25 September - 6 October, New York, USA: UNCTAD: Least Developed Countries' Mid-Term Review. (Correction: Geneva mentioned as venue in June issue of AR).

26 September - 10 October, New York, USA: High Level Inter-governmental Meeting on the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s. Contact Geraldine Wegener: Phone (41-22) 907-5897, Fax (41-22) 907-0046.

10-12 October, Washington, DC: World Bank/IMF 1995 Annual Meeting. Contact Eric Chinje: Phone (202) 473-4467, Fax (202) 473-7917.

11-12 October: Tokyo, Japan: High-Level Symposium on Peace and Development: Conflict Problems in Africa. Contact Mieko Ikegame: Phone (212) 963-2166, Fax (212) 963-3892.

16-20 October, Geneva, Switzerland: UNCTAD Ad hoc Working Group on Trade, Environment and Development. Contact Pedro Roffe: Phone (4122) 917-5820.

23-28 November, Maastricht, Holland: Second Conference of the Global Coalition for Africa. Contact: Didier Seroo, Development Cooperation Information Department, Ministry of Foreign Affairs, Phone (3170) 348-6486, Fax (3170) 348-5010.

AFRICA BOOKS

Countrysides at Risk: The Political Geography of Sustainable Agriculture by Robert L. Paarlberg (Policy Essay No. 16, Overseas Development Council, Washington, DC; 1994; 100 pages; pb $9.95).

Fractured History: Elite Shifts and Policy Changes in Nigeria by Joseph Nanven Garba (Sungai Books, Princeton, NJ; 1995; 304 pages; pb $14.95, hb $39.95).

So This is Democracy? Report on media freedom in Southern Africa (Media Institute of Southern Africa, Windhoek, Namibia; 1995; 84 pages).

Global Employment: An International Investigation into The Future of Work. Vol. 1 ed. Mihaly Simai, Valentine Moghadam and Arva Kuddo. Published for the United Nations University World Institute for Development Economics Research. (United Nations University Press, Tokyo, Japan; 1995; 274 pages).

High Priorities: Conserving Mountain Ecosystems and Cultures, Worldwatch Paper 123, by Derek Denniston (Worldwatch Institute, Washington, DC; 1995; 80 pages; pb $5).

More People, Less Erosion - Environmental Recovery in Kenya by Mary Tiffen, Michael Mortimore and Frances Gichuki (Wiley Publishers, London, UK; 1994; 328 pages; pb £22.50).

Vital Signs 1995 - The Trends That Are Shaping Our Future by Lester R. Brown, Nicholas Lenssen and Hal Kane. A Worldwatch Institute publication (W.W. Norton & Company, New York, NY; 1995; 176 pages; pb $10.95).

African Development Perspectives Yearbook 1992/93 Vol III: Energy and Sustainable Development eds. Hans H. Bass, Jutta Franz, Elke Grawert, Wolfgang Hein, Robert Kappel, Frank Messner, Jorg Pohlan, Karl Wohlmuth (Lit Verlag, Hamburg, Germany; 1994; 684 pages).

An Agenda for Development 1995, by Boutros Boutros-Ghali, Secretary-General of the United Nations (United Nations, New York; 1995; 132 pages; $7.50).

Let the Dawn Come - Social Development: looking behind the clichés ed. Simon Burne (Panos Publications, London, UK; 1995; 152 pages; £8.95).

The Oxfam Handbook of Development and Relief by Deborah Eade and Suzanne Williams. A reference book of development policy and practice (Oxfam Publishing, Oxford, UK; 1995; pb £24.95, hb £49.95; 1272 pages).

The Oxfam Poverty Report by Kevin Watkins. A new analysis of the state of world poverty (Oxfam Publishing, Oxford, UK; 1995; £9.95; 240 pages).

The World 1995/96: A Third World Guide by The Third World Institute (Oxfam Publishing, Oxford, UK; 1995; £24.95, CD-Rom £89.95).

World Credit Tables - Creditor-debtor relations from another perspective. A publication of the European Network on Debt and Development (EURODAD, Brussels, Belgium; 1995; 238 pages; $25).

Arms to Fight, Arms to Protect - Women speak about conflict eds. Olivia Bennett, Jo Bexley and Kitty Warnock (Panos Publications, London; 1995; 282 pages; £10.95).

Democratization and Ethnic Nationalism: African and Eastern European Experiences by Marina Ottaway (Policy Essay No. 14, Overseas Development Council, Washington, DC; 1994; 86 pages; $9.95).

Playing the "Communal Card" - Communal Violence and Human Rights (Human Rights Watch, New York, NY; 1995; 154 pages; $15).

Population: Issues and Policies in International Social Science Journal 141, (Blackwell, London; September 1994; 490 pages).

New Perspectives on Population: Lessons from Cairo by Lori S. Ashford. Population Bulletin (Population Reference Bureau, Inc., Washington, DC; 1995; 44 pages; $7).

Reversing the Spiral - The Population, Agriculture, and Environment Nexus in Sub-Saharan Africa by Kevin M. Cleaver and Götz A. Schreiber (The International Bank for Reconstruction and Development/The World Bank, Washington, DC; 1994; 294 pages; $18.95).

Rwanda: An Agenda for International Action by Guy Vassall-Adams (Oxfam Publishing, Oxford, UK; 1995; 64 pages; £ 3.95).

The Global Refugee Crisis by Gil Loescher and Ann Dull Loescher (ABC-CLIO, Santa Barbara, CA; 1995; 260 pages; $39.50).

Somalia and Operation Restore Hope, Reflections on Peacemaking and Peacekeeping, by John L. Hirsch and Robert B. Oakley (United States Institute of Peace Press, Washington, DC; 1995; 217 pages; $19.95)

The Invention of Somalia ed. Ali Jimale Ahmed (The Red Sea Press, Lawrenceville, NJ; 1995; 265 pages; $16.95).

The Migration Experience in Africa eds. Jonathan Baker and Tade Akin Aina (Nordiska Afrikainstitut, Uppsala, Sweden; 1995; 353 pages; £29.95).

The Hour of Departure: Forces that Create Refugees and Migrants by Hal Kane (Worldwatch Paper 125, Worldwatch Institute, Washington, DC; 1995; 56 pages; $5).

The Swahili: Idiom and Identity of an African People by Alamin M. Mazrui and Ibrahim Noor Shariff (Africa World, Trenton, NJ; 1994; 188 pages; $14.95).

AFRICA

IN BRIEF

Investment in Africa still elusive, says UNCTAD

Although Africa offers some of the most profitable investment opportunities in the world today, foreign direct investment (FDI) in the continent has been limited mainly to the primary sector and a few select countries, according to a report by the United Nations Conference on Trade and Development (UNCTAD). Africa continues to suffer from a number of factors that discourage investment, ranging from high levels of external indebtedness and small domestic markets to poorly developed physical infrastructure and a generally unskilled labour force, said UNCTAD's *Foreign Direct Investment in Africa*.

The report said the rate of return on investment in Africa by US companies in 1993 was 25.5 per cent, well above the return rates of 20.4 per cent for Asia and 15 per cent for Latin America. Nonetheless, Africa was hit during the 1990s from the lack of portfolio equity investment flows — the largest component of net resource flows to other developing regions. Average annual net resource flows to Africa as a proportion of those to all developing countries rose from 9 per cent to 11 percent between the first and second half of the 1980s. However, during the early 1990s, Africa's share declined to 5 per cent.

The UNCTAD report outlined several reasons for reluctance to invest in Africa. Ongoing civil conflicts, political crises and natural disasters, especially drought, continue to plague the region. Africa's markets also are small, income levels low, and lower or even negative GDP growth has been registered over the past few years. Physical infrastructure, especially telecommunications and transport, is poor and in many cases deteriorating. Other obstacles include heavy foreign indebtedness that affects foreign exchange availability and reluctance or inability to expedite economic reforms.

Among African countries, nine oil-exporting countries received up to 80 per cent of FDI in the early 1990s, while Egypt and Nigeria accounted for half of total FDI between 1981 and 1994. Oil provides a stable foreign currency income that in turn facilitates regular repatriation of profits — an attractive point for investors.

Although UNCTAD said "no single prescription for action to improve these investment conditions would be appropriate," it recommends streamlining legal and regulatory requirements, promoting transparency and efficiency, and implementing other necessary fundamental reforms. Greater regional integration, the report noted, is another factor that may enhance future prospects for FDI in Africa. Africa needs to be aggressive in the promotion and marketing of investment opportunities, the report said. ■

Three per cent growth forecast for Africa in 1995

Africa's economic growth rate is expected to increase from 2.1 per cent in 1994 to 3 per cent in 1995, the highest rate in six years, says the United Nations *World Economic and Social Survey*. Strong agricultural production and increased demand for Africa's exports in developed economies have fueled the upturn in the continent's gross domestic product, according to the survey.

Apart from the war-torn countries of Burundi, Rwanda and Sudan and those affected by drought — Algeria, Tunisia, the Horn and Southern Africa — prospects for the region's agriculture are generally good in 1995, the survey reported. Africa's total cereal production increased by 9 per cent and total agricultural production rose by more than 2 per cent in 1994. Cocoa and coffee exports also are up, stimulated by high world market prices.

The survey credited the devaluation of the CFA franc in January 1994, and the ensuing economic adjustments, with stimulating exports and output growth within the franc zone, which were also helped along by international finance, debt relief, strong international commodity prices and good weather. Performance was higher in the western part of the franc zone compared to the central part, and the impact of devaluation was particularly encouraging in Côte d'Ivoire, which in 1994 recorded positive economic growth for the first time in eight years. Further export-led growth is expected in the franc zone in 1995.

UNFPA says education of women key to slowing Africa's population growth

By ***Martin Mbugua***

If Africa's population of 728.1 million continues to grow at its current rate, it will more than double by the year 2025, according to the United Nations Population Fund's (UNFPA) *State of the World Population 1995*. Key to slowing and reversing this trend is promoting the education of women and their participation in decision-making, as well as involving men in family planning, the report said.

The UNFPA report said that "education is the most important intervention to break the vicious cycle of low status, poverty and large families" since it encourages later marriages and greater contraceptive use. In Benin, for example, women with no education marry at an average age of 16.9, while those with seven or more years of education marry at an average age of 24.1.

The report, whose themes of gender equity and reproductive health echo the programme of action adopted by the International Conference on Population and Development in Cairo in September 1994, said education is also associated with lower maternal mortality, smaller and healthier families, and better reproductive health for the next generation.

According to UNFPA, female literacy levels in sub-Saharan Africa nearly doubled between 1980 and 1990. But female literacy alone is not enough — men should also be encouraged to take responsibility for their sexual and reproductive behaviour and for household obligations. UNFPA urges governments to increase male involvement by making health services more "male-friendly," and promoting community-based distribution of condoms. Programmes in Ghana and Zimbabwe that utilize radio, television and other mediums to target men have succeeded in increasing their use of contraceptives.

The report also noted that improved primary health care in Africa has reduced the number of new births between 1970 and 1995 from 47 to 40 per 1,000 people. Similar progress was reported in the crude death rate, which dropped from 20 to 13 per 1,000 over the same period. Life expectancy has gone up: women can now expect to live for 56 years compared to 46 years a quarter century ago. Men's life expectancy jumped from 43 to 53 years during the same period. ■

The survey acknowledged that although there is "virtual unanimity about the need for sustainable macroeconomic balance as a condition for economic growth," there is still no consensus on the magnitude and speed of adjustment, the sequencing of reforms, or cost-sharing within society and among the reforming country and its partners.

The survey noted that with a few exceptions, even the countries that made significant progress in policy reform have yet to see a sustained and substantial rise in real output, let alone real income. Success, however, has been most visible in the growth of non-traditional and manufacturing exports. ■

International support grows for control of land-mines

Governments have pledged $13.1 million toward the newly created United Nations Voluntary Trust Fund for Assistance in Mine Clearance, an effort to rid the world of these "perverse and insidious" weapons of mass destruction, according to UN Secretary-General Boutros Boutros-Ghali.

At a meeting in Geneva from 6-8 July, officials from more than 40 countries and representatives of organizations involved in mine-related concerns discussed ways to mobilize international commitment to address the humanitarian aspects of the land-mine problem.

There are more than 110 million land-mines in 64 countries around the world — some 30 million of which are in Africa — and between two and five million more are planted each year. Over 10,000 civilians are killed and thousands more are injured annually by the weapons, which also have a negative impact on development by limiting agricultural and other productive activities.

At the Geneva meeting, Ms. Carol Bellamy, Executive Director of Unicef, urged the international community to go "one critical step further" than the moratorium on land-mines called for by the General Assembly, and institute an across-the-board ban on their production, use, stockpiling, sale and export.

Whatever the present legality of manufacturing land-mines, the toll on civilians is a "crime against humanity," said Ms. Sadako Ogata, the United Nations High Commissioner for Refugees, who announced that her agency will not knowingly do business with such companies, some of which are also involved in de-mining activities. ■

UN calls for a new green revolution in Africa

By Masimba Tafirenyika

Africa urgently needs further research into food production involving the adaptation of seeds suitable to its environment, rather than adapting the environment to the needs of new seeds as has been the practice in the past, reports the United Nations in its 1995 *World Economic and Social Survey.*

Calling the time ripe for a new green revolution in Africa, the survey says up to $100 million per year in revenues can be raised for the research from the property rights of germplasm collections that were recently brought under the authority of the UN Food and Agriculture Organization (FAO).

The UN notes that food production per person in Africa has been declining since the early 1970s, due to the lack of seeds suited to African conditions, weak local research capacity and a poorly developed support system to encourage seed adoption. The solution is research that manipulates recent advances in biotechnology to develop drought-resistant, low-risk and low-cost seed varieties for rain-fed agriculture that do not require many external inputs.

So far, however, progress has been slow even for the crops that research has concentrated on, let alone for African food crops. Because most of the latter, such as sorghum, millet, cassava, yams, and pulses, is neither consumed nor grown in developed countries, and only a fraction is exported, there is little commercial interest at the global level in their research or development. Domestic research capacity in Africa is too weak to generate a new green revolution, says the survey, leaving the task to the network of international agricultural research centres (IARCs).

But unlike in the 1960s and the 1970s when the green revolution came out of research centres such as the International Rice Research Institute and the International Centre for Maize and Wheat Improvement, funding for IARCs that were brought together under the Consultative Group on International Agricultural Research (CGIAR) in 1971 has dwindled. This decline — most acute in biotechnology where research is concentrated in large corporations — is part of a general shift of research dollars to the private sector. An indication of the severity of the problem is the fact that only about 10 developing countries — none of them in Africa — have the capacity to undertake biotechnological research.

The survey attributed the drift toward the privatization of agricultural research to tighter protection of intellectual property rights under patents and plant breeders' rights, which have increasingly included living materials. The problem with private research, the survey said, is that it entails secrecy and inhibits free dissemination of knowledge.

On the other hand, the wider protection of intellectual property rights might encourage the spread of new products by the patent holder through exports at prices that include royalties. The survey was critical of cases in which patents have been applied for or granted to private companies that added little to research already done by IARCs or learned by farmers over the years. In such cases, warned the survey, it is possible that farmers might end up paying royalties for use of products whose development was largely based on their resources and knowledge.

It is against this background that the UN has announced the setting up of an international fund for plant genetic resources. The fund will support plant genetic conservation and management and utilization programmes in developing countries, and will be financed by estimated annual revenues of $100 million from property rights in the germplasm collections of the IARCs under an agreement they signed last year.

The IARCs will place all their genebanks — about half a million plant varieties with a large share being unique samples — under the FAO's control. Under the agreement, germplasm is to be kept in trust by the IARCs for the benefit of humanity, especially for developing countries. In turn, the IARCs agree not to claim legal ownership or intellectual property rights over the genebanks. Samples are to be available "without restrictions." Material transfer agreements will allow revenues to be collected while restricting recipients from seeking patents. These agreements will generally involve an initial payment from the recipient for the germplasm and an agreement on additional payments if the germplasm is commercialized by the recipient. ■

AFRICA WATCH

African Development Bank elects new president

Mr. Omar Kabbaj, Morocco's minister-delegate in charge of the economy, was elected to serve a five-year term as president of the African Development Bank (ADB) on 26 August at a meeting in Abidjan, Côte d'Ivoire, the bank's headquarters. After nine rounds of balloting, he received 63 per cent of the vote, defeating Mr. Timothy Thahane of Lesotho.

Mr. Kabbaj, 53, spent 13 years on the executive board of the International Monetary Fund, and replaces Mr. Babacar Ndiaye, who was the bank's president for the past 10 years. The new president is on record as favouring economic liberalization in Africa and the overhaul of ADB management. Admitting South Africa to the ADB will be a priority, Mr. Kabbaj said.

G-7 SUMMIT

Gold sales for debt relief turned down

The Group of Seven (G-7) industrial countries, meeting in Halifax, Nova Scotia, from 15-17 June, reached agreement on strengthening the global financial institutions in order to prevent Mexico-style crises from threatening international economic stability. But Africa, with its relatively minor impact on the world economy, took a back seat, with no new initiatives offered to relieve its pressing debt burden.

In fact, a much-debated proposal by British Chancellor of the Exchequer Kenneth Clarke to sell some of the IMF's $40 bn gold reserves in order to finance debt relief for the world's poorest nations, including most African countries, failed to gain support, and was excluded from the final communiqué.

UK Treasury Chief Kenneth Clarke

A major recommendation of the summit was for the International Monetary Fund (IMF) to establish an "emergency financing mechanism" to provide faster access to Fund arrangements — with strong conditionality and larger upfront disbursements — in crisis situations.

But Africa is not likely to benefit from this facility — to be funded by a doubling from $28 bn of the IMF's General Agreements to Borrow — which is geared to those countries whose financial collapse represents a "systemic risk."

The Halifax summit reiterated the G-7's commitment to the Naples terms for debt relief, agreed in principle at its 1994 summit, which permit up to 67 per cent reduction in export credit debt stock or debt service owed to Paris Club creditors. It also called on the Bretton Woods institutions to "develop a comprehensive approach" to countries with multilateral debt problems "through the flexible implementation of existing instruments and new mechanisms where necessary." A commitment to continue concessional ESAF lending, the major proportion of which goes to Africa, was reaffirmed. ■

STATUS OF WOMEN

Africa lags behind: UN

Issues of gender equality are moving to the top of the global agenda, but better understanding of women's and men's contributions to society is essential to speed the shift from agenda to policy, and then to practice, says the United Nations in *The World's Women 1995: Trends and Statistics*.

While the global status of women is improving, sub-Saharan Africa lags behind, according to the report. Gains in health and education have faltered in the face of economic crises and civil strife. Literacy rates, at 43 percent for adult women and 67 percent for adult men, remain the lowest in the world.

Formal employment for women has dropped over the past decade in Africa, the only region where this has occurred. HIV infection rates in sub-Saharan Africa continue to soar, notes the UN, and unlike in other regions, the percentage of women infected with HIV is higher than that of men.

Women in northern Africa, however, have fared better. Marriages of girls between the ages of 15 and 19 have declined significantly, from 38 to 10 per cent. ■

CONSULTATIVE GROUP

Donors support Ghana, Uganda; deny new aid to Kenya

In separate Consultative Group meetings in Paris in June and July, donors pledged $1.6 bn in new loans to Ghana and $800 mn to Uganda in support of the two countries' economic reforms, but denied new aid to Kenya until it improves its human rights record.

At their June meeting, donors congratulated Ghana "for staying on the course of its comprehensive economic reform programme" — now in its 12th year — despite considerable social and political pressures. The $1.6 bn in programme and project aid will support Ghana's development efforts during the 1996-97 period.

Donors also praised the progress Uganda has made in maintaining macroeconomic stability, increasing GDP growth in 1994/95 to an estimated 10 per cent and bringing down inflation to only 3 per cent, and welcomed Uganda's efforts to foster open debate on constitutional reforms.

Of the $800 mn pledged to Uganda, $500 mn is project financing and technical assistance and $300 mn is non-project financing. The latter includes $7 mn to finance next year's elections and $58 mn for debt financing.

In contrast, the donors expressed concern with the "overall direction of political events [in Kenya] since the end of 1994." They called on the government to relax its restrictions on the registration of parties, saying there was "need for wider consultation on constitutional and legal reform." New funding is contingent upon Kenya opening up its political system. ■

SOUTHERN AFRICA

$270 mn sought for drought

The Southern African Development Community (SADC) launched a consolidated appeal for $270 mn in late June to help the region overcome the effects of a devastating drought that has affected 10 million people, with about half of them in Zimbabwe alone.

This year's cereal harvest within SADC, which groups the 11 nations of Southern Africa, was 35 per cent lower than last year, with maize, the staple food, falling by 42 per cent. Mr. Kaire Mbuende, SADC's Executive Secretary, told donors at a meeting in Geneva that the 1994/95 rainy season was exceptionally poor in most countries: the rains came late, were spasmodic and ended early.

SADC's appeal includes $90.7 mn to buy 5.2 mn tonnes of emergency food, $45.4 mn for supplementary feeding programmes and $81.5 mn for the supply of agricultural inputs to promote long-term recovery. Officials fear the lack of potable water could seriously threaten people's health, livestock and commercial and industrial activity. ■